



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2020  
OF THE CONDITION AND AFFAIRS OF THE

HealthSpring Life & Health Insurance Company, Inc.

NAIC Group Code09010901NAIC Company Code12902Employer's ID Number20-8534298  
(Current)(Prior)

Organized under the Laws ofTexas, State of Domicile or Port of EntryTX

Country of DomicileUnited States of America

Licensed as business type:Life, Accident & Health

Is HMO Federally Qualified? Yes [ ] No [ X ]

Incorporated/Organized02/27/2007Commenced Business02/27/2007

Statutory Home Office2800 North Loop West, Suite 500Houston, TX, US 77092  
(Street and Number)(City or Town, State, Country and Zip Code)

Main Administrative Office530 Great Circle RoadNashville, TN, US 37228615-291-7000  
(Street and Number)(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Mail Address530 Great Circle RoadNashville, TN, US 37228  
(Street and Number or P.O. Box)(City or Town, State, Country and Zip Code)

Primary Location of Books and Records530 Great Circle RoadNashville, TN, US 37228615-291-7000  
(Street and Number)(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Internet Website Addresswww.cignahealthspring.com

Statutory Statement ContactConnie Schmidt Ansley615-564-3480  
(Name)(Area Code) (Telephone Number)

regulatory@healthspring.com615-401-4566  
(E-mail Address)(FAX Number)

OFFICERS

President & Chief Executive Officer	Brian Case Evanko	Vice President	Gary Culp #
Chief Financial Officer	Gregory J. Czar #	Vice President	Debra Smith #

OTHER

Thomas Andrew Young, Compliance Officer	Gregory Nicholas Malone, Appointed Actuary	Scott Ronald Lambert, Vice President & Treasurer
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DIRECTORS OR TRUSTEES

Gary Culp #	Gregory J. Czar #	Michael Edgeworth #
Brian Ough #	Debra Smith #	

State ofTennesseeSS:

County ofDavidson

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Brian Case Evanko President and Chief Executive Officer	Gregory J. Czar Chief Financial Officer	Gary Culp Vice President
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Subscribed and sworn to before me this  
day of

Kathleen G. Yates

a. Is this an original filing? Yes [ X ] No [ ]  
b. If no,  
1. State the amendment number.....  
2. Date filed .....  
3. Number of pages attached.....

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	820,326,778		820,326,778	672,990,419
2. Stocks (Schedule D):				
2.1 Preferred stocks .....			0	
2.2 Common stocks .....			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	22,600,000		22,600,000	
3.2 Other than first liens .....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances) .....			0	
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	
5. Cash (\$ .....(17,326,266) , Schedule E - Part 1), cash equivalents (\$ .....87,999,912 , Schedule E - Part 2) and short-term investments (\$ .....718,092 , Schedule DA) .....	71,391,738		71,391,738	46,889,641
6. Contract loans, (including \$ .....0 premium notes) .....			0	
7. Derivatives (Schedule DB) .....			0	
8. Other invested assets (Schedule BA) .....			0	0
9. Receivables for securities .....	256,247		256,247	31,909
10. Securities lending reinvested collateral assets (Schedule DL) .....			0	
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	914,574,763	0	914,574,763	719,911,969
13. Title plants less \$ .....0 charged off (for Title insurers only) .....			0	
14. Investment income due and accrued .....	7,812,851		7,812,851	6,431,424
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	13,293,742	1,362,856	11,930,886	7,461,058
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ .....0 earned but unbilled premiums) .....			0	
15.3 Accrued retrospective premiums (\$ .....2,099,270 ) and contracts subject to redetermination (\$ .....50,413,333 ) .....	52,512,603		52,512,603	191,460,229
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....			0	
16.2 Funds held by or deposited with reinsured companies .....			0	
16.3 Other amounts receivable under reinsurance contracts .....			0	
17. Amounts receivable relating to uninsured plans .....	3,637,747		3,637,747	7,793,477
18.1 Current federal and foreign income tax recoverable and interest thereon .....	14,399,110		14,399,110	684,509
18.2 Net deferred tax asset .....	10,874,670		10,874,670	14,905,935
19. Guaranty funds receivable or on deposit .....	163,605		163,605	181,948
20. Electronic data processing equipment and software .....			0	
21. Furniture and equipment, including health care delivery assets (\$ .....0 ) .....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	9,668,424		9,668,424	8,886,802
24. Health care (\$ .....113,448,197 ) and other amounts receivable .....	118,427,468	4,979,271	113,448,197	82,389,025
25. Aggregate write-ins for other than invested assets .....	71,080,676	8,401,497	62,679,179	56,541,517
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	1,216,445,659	14,743,624	1,201,702,035	1,096,647,893
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	
28. Total (Lines 26 and 27)	1,216,445,659	14,743,624	1,201,702,035	1,096,647,893
DETAILS OF WRITE-INS				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Loan to Cigna Corp .....	55,000,000		55,000,000	55,000,000
2502. Health Insurance Industry Fee Recoupment .....	7,679,179		7,679,179	845,185
2503. Prepaid Expense .....	8,401,497	8,401,497	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	696,332
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	71,080,676	8,401,497	62,679,179	56,541,517

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ .....0 reinsurance ceded) .....	421,916,991	20,695,347	442,612,338	305,139,204
2. Accrued medical incentive pool and bonus amounts .....	20,066,343		20,066,343	30,101,346
3. Unpaid claims adjustment expenses .....	6,372,349		6,372,349	3,909,278
4. Aggregate health policy reserves, including the liability of \$ .....4,041,080 for medical loss ratio rebate per the Public Health Service Act .....	31,382,570		31,382,570	27,936,648
5. Aggregate life policy reserves .....			0	0
6. Property/casualty unearned premium reserves .....			0	0
7. Aggregate health claim reserves .....			0	0
8. Premiums received in advance .....			0	29,907
9. General expenses due or accrued .....	12,065,498		12,065,498	4,785,718
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....			0	0
10.2 Net deferred tax liability .....			0	0
11. Ceded reinsurance premiums payable .....			0	0
12. Amounts withheld or retained for the account of others .....			0	0
13. Remittances and items not allocated .....	1,781		1,781	73,275
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....			0	0
15. Amounts due to parent, subsidiaries and affiliates .....	77,933,099		77,933,099	92,005,690
16. Derivatives .....			0	0
17. Payable for securities .....			0	0
18. Payable for securities lending .....			0	0
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ .....0 unauthorized reinsurers and \$ .....0 certified reinsurers) .....			0	0
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
22. Liability for amounts held under uninsured plans .....	17,543,827		17,543,827	9,751,154
23. Aggregate write-ins for other liabilities (including \$ .....32,754,312 current) .....	32,754,312	0	32,754,312	21,552,312
24. Total liabilities (Lines 1 to 23) .....	620,036,770	20,695,347	640,732,117	495,284,532
25. Aggregate write-ins for special surplus funds .....	XXX	XXX	0	76,018,245
26. Common capital stock .....	XXX	XXX	2,500,000	2,500,000
27. Preferred capital stock .....	XXX	XXX		
28. Gross paid in and contributed surplus .....	XXX	XXX	177,190,962	177,190,962
29. Surplus notes .....	XXX	XXX	0	900,000
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX	0	0
31. Unassigned funds (surplus) .....	XXX	XXX	381,278,956	344,754,154
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ) .....	XXX	XXX		
32.2 ..... shares preferred (value included in Line 27 \$ ..... ) .....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	560,969,918	601,363,361
34. Total liabilities, capital and surplus (Lines 24 and 33) .....	XXX	XXX	1,201,702,035	1,096,647,893
DETAILS OF WRITE-INS				
2301. Nursing Facility Pass Through Accrual .....	22,338,631		22,338,631	15,043,049
2302. Escheatment Liability .....	5,503,049		5,503,049	5,714,485
2303. Amount Due to CMS .....	4,117,854		4,117,854	0
2398. Summary of remaining write-ins for Line 23 from overflow page .....	794,778	0	794,778	794,778
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above) .....	32,754,312	0	32,754,312	21,552,312
2501. Health Insurance Industry Fee .....	XXX	XXX	0	76,018,245
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	XXX	XXX	0	76,018,245
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above) .....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX.....	3,967,287	3,608,500
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX.....	5,100,972,387	4,479,251,145
3. Change in unearned premium reserves and reserve for rate credits .....	XXX.....	0	
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX.....	0	
5. Risk revenue .....	XXX.....	0	
6. Aggregate write-ins for other health care related revenues .....	XXX.....	7,952,981	646,816
7. Aggregate write-ins for other non-health revenues .....	XXX.....	0	0
8. Total revenues (Lines 2 to 7) .....	XXX.....	5,108,925,368	4,479,897,961
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		3,574,918,836	3,177,356,298
10. Other professional services .....		104,019,144	73,276,902
11. Outside referrals .....	175,549,892	175,549,892	128,284,655
12. Emergency room and out-of-area .....	8,288,095	92,966,155	90,411,885
13. Prescription drugs .....		291,950,369	267,685,620
14. Aggregate write-ins for other hospital and medical .....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....		(34,155,123)	(55,870,090)
16. Subtotal (Lines 9 to 15) .....	183,837,987	4,205,249,273	3,681,145,270
<b>Less:</b>			
17. Net reinsurance recoveries .....		0	
18. Total hospital and medical (Lines 16 minus 17) .....	183,837,987	4,205,249,273	3,681,145,270
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ .....386,741,151 cost containment expenses .....		408,796,665	391,192,127
21. General administrative expenses .....		410,323,851	252,842,898
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....		(4,603,414)	(2,739,765)
23. Total underwriting deductions (Lines 18 through 22) .....	183,837,987	5,019,766,375	4,322,440,530
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX.....	89,158,993	157,457,431
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		31,137,196	31,740,057
26. Net realized capital gains (losses) less capital gains tax of \$ .....936,309 .....		3,624,127	57,432
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	34,761,323	31,797,489
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ .....1,121,133 )] .....		(1,121,133)	(1,986,437)
29. Aggregate write-ins for other income or expenses .....	0	(380)	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX.....	122,798,803	187,268,483
31. Federal and foreign income taxes incurred .....	XXX.....	43,380,303	38,847,936
32. Net income (loss) (Lines 30 minus 31) .....	XXX.....	79,418,500	148,420,547
<b>DETAILS OF WRITE-INS</b>			
0601. Health Industry Fee Recoupment .....	XXX.....	6,833,999	613,568
0602. Illinois State Premium Interest Revenue .....	XXX.....	1,034,785	0
0603. Escheatment/Unclaimed Property .....	XXX.....	84,360	32,575
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX.....	(163)	673
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....	XXX.....	7,952,981	646,816
0701. ....	XXX.....		
0702. ....	XXX.....		
0703. ....	XXX.....		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX.....	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....	XXX.....	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....	0	0	0
2901. Penalties and Fines .....		(380)	0
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....	0	(380)	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	601,363,361	562,745,751
34. Net income or (loss) from Line 32 .....	79,418,500	148,420,547
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....1,119,626 .....	(1,167,755)	1,625,309
37. Change in net unrealized foreign exchange capital gain or (loss) .....	5,379,684	
38. Change in net deferred income tax .....	(2,957,733)	6,013,309
39. Change in nonadmitted assets .....	27,833,861	(27,241,555)
40. Change in unauthorized and certified reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	(900,000)	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in .....	0	0
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....	(148,000,000)	(90,200,000)
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0
48. Net change in capital and surplus (Lines 34 to 47) .....	(40,393,443)	38,617,610
49. Capital and surplus end of reporting period (Line 33 plus 48)	560,969,918	601,363,361
DETAILS OF WRITE-INS		
4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance .....	5,245,276,843	4,414,132,604
2. Net investment income .....	29,400,272	33,088,513
3. Miscellaneous income .....	8,798,163	6,764,403
4. Total (Lines 1 through 3) .....	5,283,475,278	4,453,985,520
5. Benefit and loss related payments .....	4,075,875,669	3,732,953,560
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	809,206,306	653,686,163
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ .....0 tax on capital gains (losses) .....	58,031,213	40,132,852
10. Total (Lines 5 through 9) .....	4,943,113,188	4,426,772,575
11. Net cash from operations (Line 4 minus Line 10) .....	340,362,090	27,212,945
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	117,278,431	157,202,334
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	5,233	5,952
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	117,283,664	157,208,286
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	254,372,531	0
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	22,600,000	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	224,338	31,909
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	277,196,869	31,909
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(159,913,205)	157,176,377
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	(900,000)	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	148,000,000	90,200,000
16.6 Other cash provided (applied) .....	(7,046,788)	(41,025,903)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(155,946,788)	(131,225,903)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	24,502,097	53,163,419
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	46,889,641	(6,273,778)
19.2 End of year (Line 18 plus Line 19.1) .....	71,391,738	46,889,641
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001. Non-cash transactions - Bonds Disposed .....	5,618,280	49,008,566
20.0002. Non-cash transactions - Bonds Acquired .....	5,618,280	49,008,566

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpring Life & Health Insurance Company, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income .....	5,100,972,387						4,110,747,509	990,268,637	(43,759)	
2. Change in unearned premium reserves and reserve for rate credit .....	0									
3. Fee-for-service (net of \$ ..... medical expenses) .....	0									XXX
4. Risk revenue .....	0									XXX
5. Aggregate write-ins for other health care related revenues .....	7,952,981	0	0	0	0	0	84,197	7,868,784	0	XXX
6. Aggregate write-ins for other non-health care related revenues .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6) .....	5,108,925,368	0	0	0	0	0	4,110,831,706	998,137,421	(43,759)	0
8. Hospital/medical benefits .....	3,574,918,836						2,913,664,856	661,250,862	3,118	XXX
9. Other professional services .....	104,019,144						99,523,260	4,495,884		XXX
10. Outside referrals .....	175,549,892						124,457,995	51,091,897		XXX
11. Emergency room and out-of-area .....	92,966,155						75,144,277	17,821,878		XXX
12. Prescription drugs .....	291,950,369						181,111,062	113,883,352	(3,044,045)	XXX
13. Aggregate write-ins for other hospital and medical .....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts .....	(34,155,123)						(35,174,955)	1,019,832	0	XXX
15. Subtotal (Lines 8 to 14) .....	4,205,249,273	0	0	0	0	0	3,358,726,495	849,563,705	(3,040,927)	XXX
16. Net reinsurance recoveries .....	0						0	0	0	XXX
17. Total medical and hospital (Lines 15 minus 16) .....	4,205,249,273	0	0	0	0	0	3,358,726,495	849,563,705	(3,040,927)	XXX
18. Non-health claims (net) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ .....386,741,151 cost containment expenses .....	408,796,665						312,942,761	95,853,904	0	
20. General administrative expenses .....	410,323,850						336,780,230	74,363,858	(820,238)	
21. Increase in reserves for accident and health contracts .....	(4,603,414)						0	(4,603,414)	0	XXX
22. Increase in reserves for life contracts .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22) .....	5,019,766,374	0	0	0	0	0	4,008,449,486	1,015,178,053	(3,861,165)	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23) .....	89,158,994	0	0	0	0	0	102,382,220	(17,040,632)	3,817,406	0
DETAILS OF WRITE-INS										
0501. Health Insurance Industry Fee Recoupment .....	6,833,999							6,833,999		XXX
0502. Illinois State Premium Interest Revenue .....	1,034,785							1,034,785		XXX
0503. Eschetament/Uncliamed Property .....	84,360						84,360			XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....	(163)	0	0	0	0	0	(163)	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	7,952,981	0	0	0	0	0	84,197	7,868,784	0	XXX
0601. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. ....										XXX
1302. ....										XXX
1303. ....										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1.	Comprehensive (hospital and medical) .....				0
2.	Medicare Supplement .....				0
3.	Dental only .....				0
4.	Vision only .....				0
5.	Federal Employees Health Benefits Plan .....	0			0
6.	Title XVIII - Medicare .....	4,110,747,509			4,110,747,509
7.	Title XIX - Medicaid .....	990,268,637			990,268,637
8.	Other health .....	(43,759)			(43,759)
9.	Health subtotal (Lines 1 through 8) .....	5,100,972,387	0	0	5,100,972,387
10.	Life .....	0			0
11.	Property/casualty .....	0			0
12.	Totals (Lines 9 to 11)	5,100,972,387	0	0	5,100,972,387



UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	4,099,995,789						3,257,591,604	842,320,115	84,070	
1.2 Reinsurance assumed	.0									
1.3 Reinsurance ceded	.0									
1.4 Net	4,099,995,789	.0	.0	.0	.0	.0	3,257,591,604	842,320,115	84,070	.0
2. Paid medical incentive pools and bonuses	(24,120,120)						(25,237,017)	1,116,897	.0	
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	442,612,338	.0	.0	.0	.0	.0	375,189,124	67,450,153	(26,939)	.0
3.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net	442,612,338	.0	.0	.0	.0	.0	375,189,124	67,450,153	(26,939)	.0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	.0						.0	.0	.0	
4.2 Reinsurance assumed	.0									
4.3 Reinsurance ceded	.0									
4.4 Net	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Accrued medical incentive pools and bonuses, current year	20,066,343						19,879,027	187,316	.0	
6. Net healthcare receivables (a)	(1,935,473)						(3,060,055)	889,979	234,603	
7. Amounts recoverable from reinsurers December 31, current year	.0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	305,139,204	.0	.0	.0	.0	.0	241,939,333	60,336,417	2,863,454	.0
8.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.4 Net	305,139,204	.0	.0	.0	.0	.0	241,939,333	60,336,417	2,863,454	.0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	.0									
9.2 Reinsurance assumed	.0									
9.3 Reinsurance ceded	.0									
9.4 Net	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10. Accrued medical incentive pools and bonuses, prior year	30,101,346						29,816,965	284,381		
11. Amounts recoverable from reinsurers December 31, prior year	.0									
12. Incurred Benefits:										
12.1 Direct	4,239,404,396	.0	.0	.0	.0	.0	3,393,901,450	848,543,872	(3,040,926)	.0
12.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.4 Net	4,239,404,396	.0	.0	.0	.0	.0	3,393,901,450	848,543,872	(3,040,926)	.0
13. Incurred medical incentive pools and bonuses	(34,155,123)	.0	.0	.0	.0	.0	(35,174,955)	1,019,832	.0	.0

(a) Excludes \$ .0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	110,979,817						101,793,757	9,213,863	(27,803)	
1.2 Reinsurance assumed .....	0									
1.3 Reinsurance ceded .....	0									
1.4 Net .....	110,979,817	0	0	0	0	0	101,793,757	9,213,863	(27,803)	0
2. Incurred but Unreported:										
2.1 Direct .....	331,632,521						273,395,367	58,236,290	864	
2.2 Reinsurance assumed .....	0									
2.3 Reinsurance ceded .....	0									
2.4 Net .....	331,632,521	0	0	0	0	0	273,395,367	58,236,290	864	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	0									
3.2 Reinsurance assumed .....	0									
3.3 Reinsurance ceded .....	0									
3.4 Net .....	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct .....	442,612,338	0	0	0	0	0	375,189,124	67,450,153	(26,939)	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
4.4 Net .....	442,612,338	0	0	0	0	0	375,189,124	67,450,153	(26,939)	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical) .....					0	0
2. Medicare Supplement .....					0	0
3. Dental Only .....					0	0
4. Vision Only .....					0	0
5. Federal Employees Health Benefits Plan .....					0	0
6. Title XVIII - Medicare .....	93,860,928	3,163,730,676	17,619,783	357,569,341	111,480,711	241,939,332
7. Title XIX - Medicaid .....	51,102,158	791,217,957	1,203,073	66,247,080	52,305,231	60,336,417
8. Other health .....	2,890,452	(2,806,382)	(26,939)		2,863,513	2,863,455
9. Health subtotal (Lines 1 to 8) .....	147,853,538	3,952,142,251	18,795,917	423,816,421	166,649,455	305,139,204
10. Healthcare receivables (a) .....	477,264	34,549,304	120,723	83,280,177	597,987	120,362,942
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....	28,876,668	(52,996,788)	929,723	19,136,620	29,806,391	30,101,346
13. Totals (Lines 9 - 10 + 11 + 12)	176,252,942	3,864,596,159	19,604,917	359,672,864	195,857,859	214,877,608

(a) Excludes \$ 0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2016	2 2017	3 2018	4 2019	5 2020
1.	Prior .....	179,075	195,406	195,118	195,118	195,118
2.	2016 .....	2,876,565	3,035,776	3,037,114	3,036,548	3,036,548
3.	2017 .....	XXX	2,474,605	2,606,503	2,602,772	2,602,068
4.	2018 .....	XXX	XXX	2,400,974	2,599,382	2,591,267
5.	2019 .....	XXX	XXX	XXX	2,672,684	2,801,507
6.	2020 .....	XXX	XXX	XXX	XXX	3,115,410

Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2016	2 2017	3 2018	4 2019	5 2020
1.	Prior .....	192,034	195,406	195,118	195,118	195,118
2.	2016 .....	3,173,612	3,050,295	3,037,114	3,036,548	3,036,548
3.	2017 .....	XXX	2,708,131	2,625,844	2,602,772	2,602,068
4.	2018 .....	XXX	XXX	2,673,655	2,627,697	2,591,267
5.	2019 .....	XXX	XXX	XXX	2,916,126	2,819,869
6.	2020 .....	XXX	XXX	XXX	XXX	3,492,116

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2016 .....	3,712,403	3,036,548	219,305	7.2	3,255,853	87.7			3,255,853	87.7
2. 2017 .....	3,116,117	2,602,068	203,770	7.8	2,805,838	90.0			2,805,838	90.0
3. 2018 .....	3,200,724	2,591,267	265,555	10.2	2,856,822	89.3			2,856,822	89.3
4. 2019 .....	3,514,418	2,801,507	295,252	10.5	3,096,759	88.1	18,362	244	3,115,365	88.6
5. 2020 .....	4,110,748	3,115,410	274,925	8.8	3,390,335	82.5	376,706	5,008	3,772,049	91.8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2016	2 2017	3 2018	4 2019	5 2020
1.	Prior .....	73,661	75,838	75,767	75,767	75,767
2.	2016 .....	807,413	859,969	854,964	854,460	854,460
3.	2017 .....	XXX	825,565	873,833	872,067	872,025
4.	2018 .....	XXX	XXX	776,454	820,082	820,270
5.	2019 .....	XXX	XXX	XXX	790,556	841,426
6.	2020 .....	XXX	XXX	XXX	XXX	791,532

Section B - Incurred Health Claims - Title XIX

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2016	2 2017	3 2018	4 2019	5 2020
1.	Prior .....	76,947	75,838	75,767	75,767	75,767
2.	2016 .....	893,213	862,619	854,964	854,460	854,460
3.	2017 .....	XXX	890,671	875,904	872,067	872,025
4.	2018 .....	XXX	XXX	831,352	825,395	820,270
5.	2019 .....	XXX	XXX	XXX	845,864	842,817
6.	2020 .....	XXX	XXX	XXX	XXX	857,779

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2016 .....	1,007,122	854,460	87,215	10.2	941,675	93.5			941,675	93.5
2. 2017 .....	966,799	872,025	66,094	7.6	938,119	97.0			938,119	97.0
3. 2018 .....	943,494	820,270	92,416	11.3	912,686	96.7			912,686	96.7
4. 2019 .....	964,833	841,426	95,360	11.3	936,786	97.1	1,390	23	938,199	97.2
5. 2020 .....	990,269	791,532	83,845	10.6	875,377	88.4	66,247	1,097	942,721	95.2

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2016	2 2017	3 2018	4 2019	5 2020
1.	Prior .....	(3,326)	(3,361)	(4,133)	(4,133)	(4,133)
2.	2016 .....	.78	.78	.78	(155)	(155)
3.	2017 .....	XXX	(1)	(1)	(1)	83
4.	2018 .....	XXX	XXX	.16	.16	.16
5.	2019 .....	XXX	XXX	XXX	(11)	(11)
6.	2020 .....	XXX	XXX	XXX	XXX	(235)

Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2016	2 2017	3 2018	4 2019	5 2020
1.	Prior .....	3,843	2,744	(562)	(1,269)	(4,133)
2.	2016 .....	.78	.78	.78	(155)	(181)
3.	2017 .....	XXX		(1)	(1)	83
4.	2018 .....	XXX	XXX	.16	.16	.16
5.	2019 .....	XXX	XXX	XXX	(11)	(11)
6.	2020 .....	XXX	XXX	XXX	XXX	(235)

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Other

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2016 .....	(2)	(155)		0.0	(155)	7,750.0	(27)		(182)	9,100.0
2. 2017 .....	.785	83	(1)	(1.2)	82	10.4			82	10.4
3. 2018 .....	(1)	.16		0.0	.16	(1,600.0)			.16	(1,600.0)
4. 2019 .....		(11)		0.0	(11)	0.0			(11)	0.0
5. 2020 .....	(44)	(235)		0.0	(235)	534.1			(235)	534.1

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2016	2 2017	3 2018	4 2019	5 2020
1.	Prior .....	249,410	267,883	266,752	266,752	266,752
2.	2016 .....	3,684,056	3,895,823	3,892,156	3,890,853	3,890,853
3.	2017 .....	XXX	3,300,169	3,480,335	3,474,838	3,474,176
4.	2018 .....	XXX	XXX	3,177,444	3,419,480	3,411,553
5.	2019 .....	XXX	XXX	XXX	3,463,229	3,642,922
6.	2020 .....	XXX	XXX	XXX	XXX	3,906,707

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2016	2 2017	3 2018	4 2019	5 2020
1.	Prior .....	272,824	273,988	270,323	269,616	266,752
2.	2016 .....	4,066,903	3,912,992	3,892,156	3,890,853	3,890,827
3.	2017 .....	XXX	3,598,802	3,501,747	3,474,838	3,474,176
4.	2018 .....	XXX	XXX	3,505,023	3,453,108	3,411,553
5.	2019 .....	XXX	XXX	XXX	3,761,979	3,662,675
6.	2020 .....	XXX	XXX	XXX	XXX	4,349,660

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2016 .....	4,719,523	3,890,853	306,520	7.9	4,197,373	88.9	(27)	0	4,197,346	88.9
2. 2017 .....	4,083,701	3,474,176	269,863	7.8	3,744,039	91.7	0	0	3,744,039	91.7
3. 2018 .....	4,144,217	3,411,553	357,971	10.5	3,769,524	91.0	0	0	3,769,524	91.0
4. 2019 .....	4,479,251	3,642,922	390,612	10.7	4,033,534	90.0	19,752	267	4,053,553	90.5
5. 2020 .....	5,100,973	3,906,707	358,770	9.2	4,265,477	83.6	442,953	6,105	4,714,535	92.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	18,508,316							18,508,316	
2. Additional policy reserves (a) .....	0								
3. Reserve for future contingent benefits .....	0								
4. Reserve for rate credits or experience rating refunds (including \$ .....0 ) for investment income .....	8,498,472						4,041,080	4,457,392	
5. Aggregate write-ins for other policy reserves .....	4,375,782	0	0	0	0	0	4,375,782	0	0
6. Totals (gross) .....	31,382,570	0	0	0	0	0	8,416,862	22,965,708	0
7. Reinsurance ceded .....	0								
8. Totals (Net)(Page 3, Line 4) .....	31,382,570	0	0	0	0	0	8,416,862	22,965,708	0
9. Present value of amounts not yet due on claims .....	0								
10. Reserve for future contingent benefits .....	0								
11. Aggregate write-ins for other claim reserves .....	0	0	0	0	0	0	0	0	0
12. Totals (gross) .....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded .....	0								
14. Totals (Net)(Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. CMS Risk Corridor .....	4,375,782						4,375,782	0	0
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	4,375,782	0	0	0	0	0	4,375,782	0	0
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ .....18,508,316 premium deficiency reserve.



UNDERWRITING AND INVESTMENT EXHIBIT

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ ..... for occupancy of own building) .....	1,079,299		8,692,556		9,771,855
2. Salary, wages and other benefits .....	245,432,711	12,741,501	87,832,123		346,006,335
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....			107,907,113		107,907,113
4. Legal fees and expenses .....	4,280		185,127		189,407
5. Certifications and accreditation fees .....					0
6. Auditing, actuarial and other consulting services ....	46,053,485	5,660,498	69,224,083		120,938,066
7. Traveling expenses .....	949,392	29,152	3,410,320		4,388,864
8. Marketing and advertising .....			4,885,221		4,885,221
9. Postage, express and telephone .....	2,663,785	150,326	3,406,667		6,220,778
10. Printing and office supplies .....	2,785,708	72,863	2,876,594		5,735,165
11. Occupancy, depreciation and amortization .....					0
12. Equipment .....	127,673	3,245	1,056,675		1,187,593
13. Cost or depreciation of EDP equipment and software .....	664,209	85,632	257,709		1,007,550
14. Outsourced services including EDP, claims, and other services .....	69,208,100	20,816	1,396,479		70,625,395
15. Boards, bureaus and association fees .....	199,966		144,906		344,872
16. Insurance, except on real estate .....					0
17. Collection and bank service charges .....			227,424		227,424
18. Group service and administration fees .....					0
19. Reimbursements by uninsured plans .....					0
20. Reimbursements from fiscal intermediaries .....					0
21. Real estate expenses .....					0
22. Real estate taxes .....			959		959
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....			2,126,115		2,126,115
23.2 State premium taxes .....			18,193,233		18,193,233
23.3 Regulatory authority licenses and fees .....	27,219		213,415		240,634
23.4 Payroll taxes .....	14,656,283	747,971	6,151,838		21,556,092
23.5 Other (excluding federal income and real estate taxes) .....			73,326,761		73,326,761
24. Investment expenses not included elsewhere .....				830,315	830,315
25. Aggregate write-ins for expenses .....	2,889,041	2,543,510	18,808,533	0	24,241,084
26. Total expenses incurred (Lines 1 to 25) .....	386,741,151	22,055,514	410,323,851	830,315	(a) .....819,950,831
27. Less expenses unpaid December 31, current year ..	6,028,546	343,803	12,065,498		18,437,847
28. Add expenses unpaid December 31, prior year .....	3,697,329	211,949	4,785,718		8,694,996
29. Amounts receivable relating to uninsured plans, prior year .....			7,793,477		7,793,477
30. Amounts receivable relating to uninsured plans, current year .....			3,637,747		3,637,747
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	384,409,934	21,923,660	398,888,341	830,315	806,052,250
DETAILS OF WRITE-INS					
2501. Dental Admin Fees .....			13,142,864		13,142,864
2502. Other General Expenses .....	2,135,661	755	2,668,754		4,805,170
2503. Part D Admin Fees .....	(19,511)		2,933,312		2,913,801
2598. Summary of remaining write-ins for Line 25 from overflow page .....	772,891	2,542,755	63,603	0	3,379,249
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	2,889,041	2,543,510	18,808,533	0	24,241,084

(a) Includes management fees of \$ .....658,612,561 to affiliates and \$ .....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds .....	(a) .....148,114	.....148,094
1.1	Bonds exempt from U.S. tax .....	(a) .....	.....
1.2	Other bonds (unaffiliated) .....	(a) .....26,848,394	.....28,343,084
1.3	Bonds of affiliates .....	(a) .....	.....
2.1	Preferred stocks (unaffiliated) .....	(b) .....	.....
2.11	Preferred stocks of affiliates .....	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans .....	(c) .....290,473	.....352,064
4.	Real estate .....	(d) .....	.....
5	Contract Loans .....	.....	.....
6	Cash, cash equivalents and short-term investments .....	(e) .....2,065,419	.....1,902,760
7	Derivative instruments .....	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....1,221,602	.....1,221,602
10.	Total gross investment income .....	30,574,002	31,967,604
11.	Investment expenses .....	.....	(g) .....830,315
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g) .....0
13.	Interest expense .....	.....	(h) .....93
14.	Depreciation on real estate and other invested assets .....	.....	(i) .....
15.	Aggregate write-ins for deductions from investment income .....	.....	.....0
16.	Total deductions (Lines 11 through 15) .....	.....	.....830,408
17.	Net investment income (Line 10 minus Line 16) .....	.....	31,137,196
DETAILS OF WRITE-INS			
0901.	Other Mortgage Income .....	.....36,032	.....36,032
0902.	Commitment Fee Income .....	.....1,185,570	.....1,185,570
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	1,221,602	1,221,602
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....	.....	.....0

(a) Includes \$ .....858,427 accrual of discount less \$ .....962,258 amortization of premium and less \$ .....625,331 paid for accrued interest on purchases.

(b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.

(c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.

(d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.

(e) Includes \$ .....551,635 accrual of discount less \$ .....0 amortization of premium and less \$ .....25,355 paid for accrued interest on purchases.

(f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.

(g) Includes \$. ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.

(i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....0	.....0	.....0	.....0	.....0
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....0	.....	.....
1.2	Other bonds (unaffiliated) .....	.....5,903,737	.....(1,348,528)	.....4,555,209	.....(48,130)	.....5,379,684
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3.	Mortgage loans .....	.....	.....0	.....0	.....0	.....0
4.	Real estate .....	.....	.....0	.....0	.....	.....0
5.	Contract loans .....	.....	.....	.....0	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....5,233	.....0	.....5,233	.....0	.....0
7.	Derivative instruments .....	.....	.....	.....0	.....	.....
8.	Other invested assets .....	.....	.....0	.....0	.....0	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses) .....	5,908,970	(1,348,528)	4,560,442	(48,130)	5,379,684
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			0
2.2 Common stocks .....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			0
3.2 Other than first liens .....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			0
4.2 Properties held for the production of income .....			0
4.3 Properties held for sale .....			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			0
6. Contract loans .....			0
7. Derivatives (Schedule DB) .....			0
8. Other invested assets (Schedule BA) .....			0
9. Receivables for securities .....		0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	0	0	0
13. Title plants (for Title insurers only) .....			0
14. Investment income due and accrued .....		0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	1,362,856	968,142	(394,714)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			0
16.2 Funds held by or deposited with reinsured companies .....			0
16.3 Other amounts receivable under reinsurance contracts .....			0
17. Amounts receivable relating to uninsured plans .....			0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0
18.2 Net deferred tax asset .....		46,094	46,094
19. Guaranty funds receivable or on deposit .....			0
20. Electronic data processing equipment and software .....			0
21. Furniture and equipment, including health care delivery assets .....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivable from parent, subsidiaries and affiliates .....			0
24. Health care and other amounts receivable .....	4,979,271	38,324,944	33,345,673
25. Aggregate write-ins for other than invested assets .....	8,401,497	3,238,305	(5,163,192)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	14,743,624	42,577,485	27,833,861
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27) .....	14,743,624	42,577,485	27,833,861
DETAILS OF WRITE-INS			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0
2501. Prepaid Expenses .....	8,401,497	3,238,305	(5,163,192)
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	8,401,497	3,238,305	(5,163,192)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....						
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....						
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business .....	300,500	328,082	330,812	332,693	332,230	3,967,287
7. Total	300,500	328,082	330,812	332,693	332,230	3,967,287
DETAILS OF WRITE-INS						
0601. Medicare Advantage .....	249,655	277,805	280,285	282,598	282,524	3,363,879
0602. Medicaid .....	50,845	50,277	50,527	50,095	49,706	603,408
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	300,500	328,082	330,812	332,693	332,230	3,967,287

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies and Going Concern

#### ***COVID-19 Impact***

The novel strain of coronavirus (“COVID-19”) was declared a pandemic by the World Health Organization in March 2020. From the onset of the COVID-19 pandemic, Cigna and its subsidiaries (including the Company) have taken actions to drive affordability, reduce uncertainty, and make health care easier. For customers, these actions include COVID-19 related expanded access to virtual care, support for access to medication, and advocating for whole person health through various behavioral health initiatives. The COVID-19 pandemic has pervasively impacted the economy and financial markets. The Company closely monitors its financial instruments and maintains effective controls to identify risks and evaluate potential exposures. As of December 31, 2020, the Company has not experienced a material decline in fair value relating to its financial instruments including investments, accounts receivable and reinsurance recoverables. Please refer to notes 5, 8, and 20 for additional information related to the Company’s financial instruments.

#### ***Medicare Advantage Risk Adjustment Validation (“RADV”) Audits***

The Medicare Advantage (MA) business is subject to reviews, including risk adjustment data validation (“RADV”) audits by CMS and the Office of the Inspector General (“OIG”). It is expected that CMS, OIG and other federal agencies will continue to closely scrutinize components of the Medicare program.

In 2018, CMS issued a proposed rule that included, among other things, extrapolation of the error rate related to RADV audit findings without applying the adjustment for underlying fee-for-service data errors as currently contemplated by CMS’s RADV audit methodology. RADV audits for the Company’s contract year’s 2011 through 2015 are currently in process. CMS has announced its intent to use third-party auditors to audit all Medicare Advantage contracts by either a comprehensive or a targeted RADV review for each contract year. If the proposed rule is adopted in its current form, it could result in some combination of degraded plan benefits, higher monthly premiums or reduced choice for the population served by all MA insurers. Cigna, along with other MA organizations and additional interested parties, submitted comments to CMS on the proposed rule as part of the notice-and-comment rulemaking process. The comment period concluded on August 28, 2019 and CMS is expected to act by November 2021. If CMS adopts the rule as proposed, there could be a significant impact on the Company’s future results of operations, though it is expected the rule would be subject to legal challenges.

In addition, the Company is subject to OIG RADV audits that are in process. Also, the U.S. Department of Justice is currently conducting an industry-wide investigation of risk adjustment data submission practices and business process, which in the case of certain other MA organizations has resulted in litigation.

#### **A. Accounting Practices**

The financial statements of HealthSpring Life & Health Insurance Company, Inc. (the Company) are presented on the basis of accounting practices prescribed or permitted by the Texas Department of Insurance (the Department).

The Department recognizes only statutory accounting practices prescribed or permitted by the state of Texas for determining and reporting the financial condition and results of operations of a Health Maintenance Organization (HMO) for determining solvency under Texas Insurance Law. The National Association of Insurance Commissioners’ (the NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Texas. While the Department has adopted certain prescribed accounting practices that differ from those found in NAIC SAP, the Company’s financials were not affected by those differences in 2020 or 2019.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the Department is shown below:

	SSAP #	F/S Page	F/S Line #	2020	2019
<b>NET INCOME</b>					
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$79,418,500	\$148,420,547
(2) State Prescribed Practices that increase/ (decrease) NAIC SAP:					
None	—	—	—	—	—
(3) State Permitted Practices that increase/ (decrease) NAIC SAP:					
None	—	—	—	—	—
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$79,418,500</u>	<u>\$148,420,547</u>
<b>SURPLUS</b>					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$560,969,918	\$601,363,361
(6) State Prescribed Practices that increase/ (decrease) NAIC SAP:					
Receivable from parent & affiliates	—	—	—	—	—
(7) State Permitted Practices that increase/ (decrease) NAIC SAP:					
None	—	—	—	—	—
(8) Surplus per NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$560,969,918</u>	<u>\$601,363,361</u>

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. The most significant item subject to estimates and assumptions is the actuarially determined medical claims liabilities included in the financial statements. Other significant estimates are the estimated risk adjustment payments receivable from CMS, certain amounts recorded related to the Medicare Part D (Part D) program, and unpaid claims adjustment expenses.

The Company estimates claims payable and liabilities for incurred but unreported claims by utilizing historical claims data and actuarially determined data, and adjusting the data by trend factors. Because actuarial information is utilized to project future liabilities, it is reasonably possible that the estimated liability may be adjusted in future periods upon receipt of more current information.

C. Accounting Policies

Net premium income represents premiums collected on Medicare Advantage, Medicaid and from its members. Net premium income is due monthly from the Centers of Medicare and Medicaid Services (CMS), the Texas Health and Human Services Commission (HHSC) and from its members, and is recognized as revenue during the period in which the Company is obligated to provide services to members. Premiums collected in advance are deferred and recorded as advance payments.

*Medicare Advantage:* The Company’s Medicare premium revenue is subject to adjustment based on the health risk of its members. This process for adjusting premiums is referred to as the CMS risk adjustment payment methodology. Under the risk adjustment payment methodology, managed care plans must capture, collect, and report diagnosis code information to CMS. After reviewing the respective submissions, CMS establishes the payments to Medicare plans generally at the beginning of the calendar year, and then adjusts premium levels on two separate occasions on a retroactive basis. The first retroactive risk premium adjustment for a given fiscal year generally occurs during the third quarter of such fiscal year. This initial settlement (the Initial CMS Settlement) represents the updating of risk scores for the current year based on the prior year’s dates of service. CMS then issues a final retroactive risk premium adjustment settlement for the fiscal year in the following year (the Final CMS Settlement) based on the prior’s dates of service. The Company estimates and records on a monthly basis both the Initial CMS Settlement and the Final CMS Settlement for the current CMS plan year. All such estimated amounts are periodically updated as necessary as additional diagnosis code information is reported to CMS and adjusted to actual amounts when the ultimate adjustment settlements are either received from CMS or the Company receives notification from CMS of such settlement amounts.

As a result of the variability of factors, including plan risk scores, that determine such estimations, the actual amount of CMS's retroactive risk premium settlement adjustments could be materially more or less than the Company's estimates. The Company's risk adjustment payments are subject to review and audit by CMS, which can potentially take several years to resolve completely. Any adjustment to net premium income and the related medical expense for risk-sharing arrangements with providers as a result of such review and audit would be recorded when estimable.

*Medicare Part D:* The Company provides prescription drug benefits pursuant to Medicare Advantage Part D. Prescription drug benefits under Medicare Advantage plans vary in terms of coverage levels and out-of-pocket costs for premiums, deductibles, and coinsurance. All Part D plans are required by law to offer either standard coverage or its actuarial equivalent (with out-of-pocket threshold and deductible amounts that do not exceed those of standard coverage). In addition to standard coverage plans, the Company offers supplemental benefits in excess of the standard coverage.

To participate in Part D, the Company is required to provide written bids to CMS, which among other items, includes the estimated costs of providing prescription drug benefits. Payments from CMS are based on these estimated costs. The monthly Part D payments the Company receives from CMS for Part D plans generally represent the Company's bid amount for providing insurance coverage, both standard and supplemental, and is recognized monthly as net premium income. The amount of CMS payments relating to the Part D standard coverage for MA-PD and PDP plans is subject to adjustment, positive or negative, based upon the application of risk corridors that compare the Company's prescription drug costs in its bids to CMS to the Company's actual prescription drug costs. Variances exceeding certain thresholds may result in CMS making additional payments to the Company or the Company's refunding to CMS a portion of the premium payments it previously received. The Company estimates and recognizes an adjustment to net premium income related to estimated risk corridor payments based upon its actual prescription drug cost for each reporting period as if the annual contract were to end at the end of each reporting period, in accordance with NAIC Interpretation No. 05-05, *Accounting for Revenues under Medicare Part D Coverage*. Risk corridor adjustments do not take into account estimated future prescription drug costs.

The Company recognizes net premium income for the Part D payments received from CMS for which it assumes risk. Certain Part D payments from CMS represent payments for claims the Company pays for which it assumes no risk. The Company accounts for these subsidies as amounts receivable relating to uninsured plans or liability for amounts held under uninsured plans on the balance sheet. The Company does not recognize premium income or hospital, medical, and pharmaceutical expenses for these subsidies as these amounts represent pass-through payments from CMS to fund deductibles, copayments, and other member benefits.

The Company recognizes prescription drug costs as incurred, net of rebates from drug companies. The Company has subcontracted the prescription drug claims administration to an affiliated pharmacy benefit manager, Express Scripts, Inc., as of January 1, 2019.

Medicaid experience rebate payable consists of estimates of amounts due under Medicaid contracts with the HHSC. These amounts are computed based on a percentage of Medicaid profits as defined in the contract with HHSC. The profitability computation includes premium revenue earned from the state less actual medical and administrative costs incurred and paid and less estimated unpaid claims payable for applicable membership. The unpaid claims payable estimates are based on historical payment patterns using actuarial techniques. A final settlement is generally made 334 days after the contract period ends using paid claims data and is subject to audit by HHSC any time thereafter. Any adjustment made to the experience rebate payable as a result of final settlement is included in current operations.

Cost of care that is paid on a fee-for-service basis, a per diem basis, or other basis includes actual reported claims and an estimate of incurred but not reported (IBNR) claims. IBNR claims are estimated by using historical trends, current membership statistics, and other information. Cost of care paid on a capitation basis is recognized in the month of coverage. Cost of pharmaceuticals is recognized in the month incurred.

Acquisition costs are certain marketing costs that vary with, and are primarily related to, the acquisition of member contracts. These costs are expensed as incurred and are included in general and administrative expenses in the accompanying statement of revenue and expenses.

In the normal course of business, the Company enters into transactions involving various types of financial instruments. These financial instruments primarily include bonds on the balance sheet. These instruments may change in value due to interest rate and market fluctuations and most also have credit risk. The Company evaluates and monitors each financial instrument individually. The Company did not have any off-balance sheet financial instruments as of December 31, 2020 and 2019.

Fair values of financial instruments are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality. In instances where there is little or no activity for the same or similar instruments, the Company estimates fair value using methods, models, and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price.

Cash and cash equivalents consist of cash and short-term investments that will mature in three months or less from the time of purchase.

Health premiums due and uncollected are recorded during the period the Company is obligated to provide services to members and do not bear interest. Balances greater than 90 days past due which are not reserved are included as non-admitted assets. Account balances are charged off after all means of collection have been exhausted and the potential for recovery is considered remote. Health premiums under government insured plans, including amounts over 90 days due that qualify as accident and health contracts in accordance with SSAP No. 50, *Classifications and Definitions of Insurance or Managed Care Contracts in Force*, are included in admitted assets.

When interest and principal payments on bonds are current, the Company recognizes interest income when it is earned. The Company stops recognizing interest income when interest payments are 90 days past due or when certain terms (interest rate or maturity date) of the bond have been restructured. Investment income on these bonds is only recognized when interest payments are received.

Investments and investment income due and accrued are evaluated in accordance with SSAP No. 5R, *Liabilities, Contingencies, and Impairments of Assets – Revised* (SSAP 5R), to determine whether impairment exists. Any amounts determined to be uncollectible are written off through the statutory basis statements of income. No amounts were written off during 2020 or 2019.

Unrealized capital gains and losses on investments carried at fair value are reflected directly in unassigned surplus. Realized capital gains and losses resulting from sales and investment asset write-downs are based on specifically identified assets and are recognized in net income. The Company had no write-downs of investment assets in 2020 or 2019.

The Company is included in the consolidated United States federal income tax return filed by Cigna. Pursuant to the Tax Sharing Agreement with Cigna, federal income taxes are allocated to the Company as if it were filing on a separate return basis. The tax benefit of net operating losses, capital losses, and tax credits are funded to the extent they reduce the consolidated federal income tax liability. The Company generally recognizes deferred income taxes when assets and liabilities have different values for financial statement and tax reporting purposes (temporary differences). Limitations of the admitted amount of the deferred tax asset are calculated in accordance with SSAP No. 101, *Income Taxes – A Replacement of SSAP No. 10R and SSAP No. 10* (SSAP 101). Additional detailed information about the Company's income taxes is disclosed in Note 9.

In accordance with various SSAP's, certain assets or certain portions of assets are excluded from the Company's admitted assets on its balance sheet through a direct charge to unassigned surplus. These nonadmitted assets may include intangible assets, capitalized software, furniture and equipment, leasehold improvements, unsecured receivables, prepaid expenses, overdue insurance premiums and subsidiary investments. Certain assets are limited by factors, such as a percentage of surplus, as to the amounts



that qualify as admitted assets. Such assets may include electronic data processing equipment and deferred taxes.

The Company elected to use rounding in reporting certain amounts within the statement. The amounts in this statement pertain to the entire Company's business.

In addition, the Company uses the following accounting policies:

1. Investments with a maturity greater than three months but less than one year at the time of purchase are included in short-term investments and are carried at amortized cost.
2. Investments in bonds and short-term investments designated highest quality (NAIC-1) and high quality (NAIC-2) are carried at amortized cost. All others are carried at the lesser of cost or fair value. Amortization of bond premium or discount is calculated using the scientific (constant yield) interest method. Bonds containing call provisions are amortized to call value/date which produces the lowest asset value (yield to worst). Investments with original maturities of less than one year from the time of purchase are classified as short-term. Bonds are considered impaired and their cost basis is written down to fair value through net income, when management expects a decline in value to persist (i.e., the decline is other-than-temporary).
3. Common stocks – not applicable.
4. Preferred stocks – not applicable.
5. Mortgage loans – Mortgage loans held by the Company are made exclusively to commercial borrowers at a fixed rate of interest. Commercial mortgage loans are carried at unpaid principal balances or, if impaired, the lower of unpaid principal or fair value of the underlying real estate. If the fair value of the underlying real estate is less than unpaid principal on an impaired loan, a valuation reserve is recorded. Commercial mortgage loans are considered impaired when it is probable that the Company will not collect amounts due according to the terms of the original loan agreement. The Company monitors credit risk and assesses the impairment of loans individually and on a consistent basis for all loans in the portfolio. The Company estimates the fair value of the underlying real estate using internal valuations generally based on discounted cash flow analyses. Certain commercial mortgage loans without valuation reserves may be considered impaired because the Company may not collect all interest due according to the terms of the original agreements. However, the Company expects to recover its remaining carrying value in these circumstances primarily because the fair value of the underlying real estate exceeds the carrying value of these loans.
6. Loan-backed bonds and structured securities are stated at amortized cost using the constant yield method. Significant changes in estimated cash flows from the original purchase assumptions are accounted for generally using the retrospective method. Significant changes in estimated cash flows from the original purchase assumptions for loan-backed and structured securities that have potential for loss of a significant portion of the original investment are accounted for using the prospective method. These securities are presented on the balance sheet as bonds.
7. Investments in subsidiaries, controlled, and affiliated (SCA) entities – not applicable.
8. Investments in joint ventures, partnerships, and limited liabilities companies – not applicable.
9. Derivatives – not applicable.
10. Aggregate Policy Reserves: The Company includes an accrual for losses where it is probable that expected future health care costs and maintenance costs under a group of existing contracts will exceed anticipated future premiums and insurance recoveries on those contracts, known as Premium Deficiency Reserve (PDR). The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.

The Affordable Care Act (ACA) requires health insurance issuers to submit data on the proportion of premium revenues spent on clinical services and quality

improvement, also known as the Medical Loss Ratio (MLR). The Company includes an accrual for MLR rebates to enrollees if this percentage does not meet minimum standards.

11. Unpaid claims and claims adjustment expenses represent the Company's liability for services that have been performed by providers for members that have not been settled. These liabilities include medical claims reported to the Company, as well as an actuarially determined estimate of claims that have been incurred but not yet reported (IBNR) to the Company. The IBNR component is based upon the Company's historical claims data, current enrollment, health services utilization statistics and other related information. Estimating IBNR is complex and involves a significant amount of judgment. Changes in this estimate can materially affect, either favorably or unfavorably, the Company's statement of revenues and expenses or overall financial position.

The Company develops its estimate for IBNR using standard actuarial development methodologies, including the completion factor method. This method estimates liabilities for claims based upon the historical lag between the month when services are rendered and the month claims are paid and takes into consideration factors such as expected medical cost inflation, seasonality patterns, product mix, and membership changes. The completion factor is a measure of how complete the claims paid to date are relative to the estimate of the total claims for services rendered for a given reporting period. Although the completion factors are generally reliable for older service periods, they are more volatile, and hence less reliable, for more recent periods, given that the typical billing lag for services can range from a week to as much as 90 days from the date of service. As a result, for the most recent two to four months, the estimate for incurred claims is developed by also considering recent per member per month claim trends.

Each period, the Company reexamines the previously established estimates of claims payable and liabilities for IBNR claims based on actual claim submissions and other relevant changes in facts and circumstances. As the estimated liabilities recorded in prior periods become more exact, the Company increases or decreases the amount of the estimates, and includes the changes in hospital, medical, and pharmaceutical expenses in the period in which the change is identified. Therefore, the Company's reported results include the effects of more completely developed estimates associated with prior years.

The Company contracts with physicians or provider groups to provide medical services to their members. The Company pays capitation or negotiated fees for defined services provided by the physicians. The Company and some of the physicians have entered into incentive sharing agreements. Under the terms of these agreements, certain providers are eligible to receive a provider bonus based on qualitative and quantitative factors. Incentive sharing balances are estimated using current experience to calculate the current receivable or payable for each contract. These estimates may be adjusted based on actual experience and contract terms. The incentive sharing receivables and payables are reported gross on the balance sheet. Incentive sharing receivables are admitted in accordance with SSAP No. 84, *Certain Health Care Receivables and Receivables Under Government Insured Plans*.

Included in hospital, medical, and pharmaceutical expenses are claim payments, capitation payments, risk-sharing payments, and pharmacy costs, net of rebates, as well as estimates of future payments of claims provided for services rendered prior to year-end. Capitation payments represent monthly contractual fees disbursed to physicians and other providers who are responsible for providing medical care to members. Risk sharing payments represent amounts paid under risk sharing arrangements with providers including independent physician associations. Pharmacy costs represent payments for members' prescription drug benefits, net of rebates from drug manufacturers. Rebates are recognized when the rebates are earned according to the contractual arrangements with the respective vendors.

12. The Company has not modified its capitalization policy from the prior period.
13. Pharmacy rebate receivables consist of reasonably estimable amounts, based upon utilization data and past history, and billed amounts to pharmaceutical companies.

In accordance with SSAP No. 84, *Health Care Receivables and Government Insured Plan Receivables*, pharmacy rebate receivables are included as Healthcare Receivables on the statutory basis statements of admitted assets, liabilities, and capital and surplus. The income from pharmacy rebates is reported as a reduction of claims expense in the statutory basis statements of income. Generally, rebate amounts are invoiced monthly and settled within 30-45 days of the invoice date, based on contract payment terms. Pharmaceutical rebates billed or confirmed but uncollected less than 90 days of invoice or confirmed date have been admitted.

14. Claims overpayment receivables invoiced and expected to be collected within 90 days of invoice date have been admitted.

15. Effective January 1, 2014, the Company adopted SSAP No. 106, *Affordable Care Act Assessments*, for the annual health insurance industry fee imposed under Section 9010 of the Affordable Care Act (ACA). The ACA assessment has been repealed effective January 1, 2021. The ACA fee assessment paid in 2020 was \$73,692,419.

#### D. Going Concern

The Company has assessed and concluded that there were no conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date the financial statements were issued.

#### 2. Accounting Changes and Corrections of Errors

##### A. Material Changes in Accounting Principles and/or Correction of Errors

Changes in Accounting Principles – None.

Corrections of Errors - None.

#### 3. Business Combinations and Goodwill

A. Statutory Purchase Method – not applicable.

B. Statutory Merger - not applicable.

C. Assumption Reinsurance – not applicable.

D. Impairment Loss – not applicable.

#### 4. Discontinued Operations

A. Discontinued Operation Disposed of or Classified as Held for Sale – not applicable.

B. Change in Plan of Sale of Discontinued Operation – not applicable.

C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal – not applicable.

D. Equity Interest Retained in the Discontinued Operation After Disposal – not applicable.

#### 5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

	2020	
	Min	Max
(1) The minimum and maximum lending rates for new mortgage loans during the year were as follows:		
(a) City Loans	3.20%	3.35%
(b) Purchase Money Mortgage Loans	0	0
(c) Farm Loans	0	0
(2) The Company reduced interest rates on outstanding mortgage loans with principal amounts as follows:		
(a) 1-2%	\$ —	\$ —
(b) 2-3%	\$ —	\$ —
(c) over 3%	\$ —	\$ —
(3) The Maximum percentage of any one loan to the value of security at the time of the loan was:		
	65%	
Fire insurance is required on all properties covered by mortgage loans at least equal to the excess of the loan over the maximum loan that would be permitted by law on the land without building		
(4) As of year-end, the Company held mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest:		
(a) Total interest due on mortgages with interest more than 180 days past due	\$ —	
(5) Taxes, assessments and any amounts advanced and not included in the mortgage loan total	\$ —	
(6) Current year impaired loans with a related allowance for credit losses		
(a) Related allowances for credit losses	\$ —	
(7) Impaired mortgage loans without an allowance for credit losses	\$ —	
(8) Average recorded investment in impaired loans	\$ —	
(9) Interest income recognized during the period the loans were impaired	\$ —	
(10) Amount of interest income recognized on the cash basis during the period the loans were impaired	\$ —	
(11) Allowance for credit losses:		
(a) Balance at the beginning of the period	\$ —	
(b) Additions charged to operations	\$ —	
(c) Direct write-downs charged against the allowance	\$ —	
(d) Recoveries of amounts previously charged off	\$ —	
Balance at the end of the period	\$ —	
(12) The Company accrues interest income on impaired loans to the extent it is deemed collectible and the loan continues to perform under its original or restructured contractual terms. Interest income on nonperforming loans is generally recognized on a cash basis.		

B. Debt Restructuring

	2020	2019
(1) The total recorded investment in restructured loans for which impairment has been recognized as of December 31	\$ 6,545,000	\$ —
(2) The realized capital losses related to these loans	\$ 1,155,000	\$ —
(3) Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings	\$ —	\$ —
(4) The Company accrues interest income on impaired loans to the extent it is deemed collectible and the loan continues to perform under its original or restructured contractual terms. Interest income on nonperforming loans is generally recognized on a cash basis.		

C. Reverse Mortgages – not applicable.

## D. Loan-Backed Securities

1. Prepayment assumptions for loan-backed securities and other structured securities were obtained from external financial data sources. These assumptions are consistent with the current interest rate and economic environment.
2. The Company had no loan-backed and structured securities with recognized other-than-temporary impairments where the Company had the intent to sell or does not have the intent and ability to retain the investment for a period of time sufficient to recover the amortized cost basis as of December 31, 2020.
3. The Company had no loan-backed and structured securities with recognized other-than-temporary impairments where the present value of cash flow expected to be collected is less than the amortized cost basis as of December 31, 2020.
4. As of December 31, 2020 loan-backed and structured securities with a decline in fair value from amortized cost were as follows, including the length of time of such decline:
  - a. The aggregate amount of unrealized losses:
    1. Less than 12 months: \$ 11,858
    2. 12 months or longer: —
  - b. The aggregate related fair value of securities with unrealized losses:
    1. Less than 12 months: \$ 1,788,142
    2. 12 months or longer: —
5. Management reviews loan-backed and other structured securities with a decline in fair value from cost for impairment based on criteria that include:
  - Length of time and severity of decline;
  - Financial and specific near term prospects of the issuer;
  - Changes in the regulatory, economic or general market environment of the issuer's industry or geographic region; and
  - The Company's intent to sell or the inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost.

Based on this review, management believes the unrealized depreciation on loan-backed securities to be temporary and, therefore, has not impaired these amounts.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions – not applicable.
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – not applicable.
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – not applicable.
- H. Repurchase Agreements Transactions Accounted for as a Sale – not applicable.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale – not applicable.
- J. Real Estate – not applicable.
- K. Investments in Low Income Housing Tax Credits – not applicable.
- L. Restricted Assets

## (1) Restricted Assets (Including Pledged)

The Company has restricted assets on deposit with various regulatory agencies for the projection or benefit of enrolled members at December 31, 2020 and 2019. These amounts

are reflected as bonds and cash in the accompanying Balance Sheets. The following table presents the restricted assets as a percentage of total gross assets and total admitted assets.

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Curent Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	—	—	—	—	—	—	—
b. Collateral held under security lending agreements	—	—	—	—	—	—	—
c. Subject to repurchase agreements	—	—	—	—	—	—	—
d. Subject to reverse repurchase agreements	—	—	—	—	—	—	—
e. Subject to dollar repurchase agreements	—	—	—	—	—	—	—
f. Subject to dollar reverse repurchase agreements	—	—	—	—	—	—	—
g. Placed under option contracts	—	—	—	—	—	—	—
h. Letter stock or securities restricted as to sale	—	—	—	—	—	—	—
i. FHLB capital stock	—	—	—	—	—	—	—
j. On deposit with states	8,656,035	15,058,938	(6,402,903)	—	8,656,035	0.7 %	0.7%
k. On deposit with other regulatory bodies	—	—	—	—	—	—	—
l. Pledged collateral to FHLB (including assets backing funding	—	—	—	—	—	—	—
m. Pledged as collateral not captured in other categories	—	—	—	—	—	—	—
n. Other restricted assets	—	—	—	—	—	—	—
o. Total Restricted Assets	<u>\$ 8,656,035</u>	<u>\$ 15,058,938</u>	<u>\$(6,402,903)</u>	<u>\$ —</u>	<u>\$ 8,656,035</u>	<u>0.7%</u>	<u>0.7%</u>

(a) Column 1 divided by Asset Page, Column 1, Line 28  
(b) Column 5 divided by Asset Page, Column 3, Line 28

- (2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate) – not applicable.
- (3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate) – not applicable.
- (4) Collateral Received and Reflected as Assets Within the Reporting Entity’s Financial Statements – not applicable.

- M. Working Capital Finance Investments – none.
- N. Offsetting and Netting of Assets and Liabilities – none.
- O. 5GI Securities – none.
- P. Short Sales – none.
- Q. Prepayment Penalty and Acceleration Fees – none.

(In whole dollars)	General Account	Separate Account
(1) Number of CUSIPs	\$ 3	—
(2) Aggregate amount of investment income	\$ 885,567	\$ —

6. Joint Ventures, Partnerships and Limited Liability Companies
  - A. Investments in Joint Ventures, Partnerships and Limited Liability Companies – not applicable.
  - B. Impaired Investments in Joint Ventures, Partnerships and Limited Liability Companies – not applicable.
7. Investment Income
  - A. Any investment income due and accrued with amounts that are over 90 days past due are nonadmitted and excluded from surplus.
  - B. As of December 31, 2020 and 2019, the Company had no investment income due and accrued with admitted amounts that are over 90 days past due.
8. Derivative Instruments
  - A. Derivatives under SSAP No. 86 – *Derivatives*
    - (1) Market Risk, Credit Risk, and Cash Requirements for Derivatives – not applicable.
    - (2) Objectives for the Use of Derivatives – not applicable.
    - (3) Description of Accounting Policies for Derivatives – not applicable.
    - (4) Identification of Contracts with Financing Premiums- not applicable.
    - (5) Net Gain or Loss from Derivatives excluded from assessment of hedge effectiveness – not applicable.
    - (6) Net Gain or Loss from Derivatives that no longer qualify for hedge accounting – not applicable.
    - (7) Cash Flow Hedges – not applicable.
    - (8) Non-discounted premium cost for contracts – not applicable.
    - (9) Disclosure of non-discounted premium and premium cost- not applicable
  - B. Derivatives under SSAP No. 108 – *Derivative Hedging Variable Annuity Guarantees*
    - (1) Discussion of hedged item/hedging instruments and hedging strategy – not applicable.
    - (2) Recognition of gains/losses and deferred assets and liabilities – not applicable.
    - (3) Hedging strategies identified as no longer highly effective – not applicable.
    - (4) Hedging strategies terminated – not applicable.

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

A. Components of net admitted deferred tax assets.

	December 31, 2020		
	Ordinary	Capital	Total
Gross deferred tax assets	\$12,922,703	\$283,191	\$13,205,894
Statutory valuation allowance	—	—	—
Adjusted gross deferred tax assets	12,922,703	283,191	13,205,894
Deferred tax asset non-admitted	—	—	—
Net deferred tax assets	12,922,703	283,191	13,205,894
Deferred tax liability	1,257,691	1,073,533	2,331,224
Net admitted deferred tax assets	\$11,665,012	\$(790,342)	\$10,874,670

  

	December 31, 2019		
	Ordinary	Capital	Total
Gross deferred tax assets	\$15,474,027	\$482,930	\$15,956,957
Statutory valuation allowance	—	—	—
Adjusted gross deferred tax assets	15,474,027	482,930	15,956,957
Deferred tax asset non-admitted	—	46,094	46,094
Net deferred tax assets	15,474,027	436,836	15,910,863
Deferred tax liability	1,004,928	—	1,004,928
Net admitted deferred tax assets	\$14,469,099	\$436,836	\$14,905,935

  

	Change		
	Ordinary	Capital	Total
Gross deferred tax assets	\$(2,551,324)	\$(199,739)	\$(2,751,063)
Statutory valuation allowance	—	—	—
Adjusted gross deferred tax assets	(2,551,324)	(199,739)	(2,751,063)
Deferred tax asset non-admitted	—	(46,094)	(46,094)
Net deferred tax assets	(2,551,324)	(153,645)	(2,704,969)
Deferred tax liability	252,763	1,073,533	1,326,296
Net admitted deferred tax assets	\$(2,804,087)	\$(1,227,178)	\$(4,031,265)



B. Admission Calculation Components per SSAP 101 (§11.a.-§11.c)

December 31, 2020			
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 12,868,538	\$ 40,641	\$ 12,909,179
Admitted gross DTAs expected to be realized (excluding the amount of			
(b) DTAs from2(a) above) after application of the threshold limitations (The lesser of 2(b)1 and 2(b)2 below)	54,165	—	54,165
1. Adjusted gross DTAs expected to be realized following the balance sheet date	54,165	—	54,165
2. Adjusted gross DTAs allowed per limitation threshold	XXX	XXX	82,514,287
(c) Adjusted Gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	—	242,550	242,550
(d) DTAs admitted as a result of application of SSAP No. 101	—	—	—
Total 2(a) + 2(b) + 2 (c )	<u>\$ 12,922,703</u>	<u>\$ 283,191</u>	<u>\$ 13,205,894</u>
December 31, 2019			
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 15,141,270	\$ 436,836	\$ 15,578,106
Admitted gross DTAs expected to be realized (excluding the amount of			
(b) DTAs from2(a) above) after application of the threshold limitations (The lesser of 2(b)1 and 2(b)2 below)	215,456	—	215,456
1. Adjusted gross DTAs expected to be realized following the balance sheet date	215,456	—	215,456
2. Adjusted gross DTAs allowed per limitation threshold	XXX	XXX	87,968,614
(c) Adjusted Gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	117,301	—	117,301
(d) DTAs admitted as a result of application of SSAP No. 101	—	—	—
Total 2(a) + 2(b) + 2 (c )	<u>\$ 15,474,027</u>	<u>\$ 436,836</u>	<u>\$ 15,910,863</u>
Change			
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ (2,272,732)	\$ (396,195)	\$ (2,668,927)
Admitted gross DTAs expected to be realized (excluding the amount of			
(b) DTAs from2(a) above) after application of the threshold limitations (The lesser of 2(b)1 and 2(b)2 below)	(161,291)	—	(161,291)
1. Adjusted gross DTAs expected to be realized following the balance sheet date	(161,291)	—	(161,291)
2. Adjusted gross DTAs allowed per limitation threshold	XXX	XXX	(5,454,327)
(c) Adjusted Gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	(117,301)	242,550	125,249
(d) DTAs admitted as a result of application of SSAP No. 101	—	—	—
Total 2(a) + 2(b) + 2 (c )	<u>\$ (2,551,324)</u>	<u>\$ (153,645)</u>	<u>\$ (2,704,969)</u>

C. Information for Recovery Period and Threshold Limitation (§11.b)

	2020	2019
Ratio percentage used to determine recovery period and threshold limitation amount	391%	409%
Amount of Adjusted Capital and Surplus used to determine recovery period and threshold limitation in paragraph 11.b.	550,095,248	\$ 586,457,426

D. Impact of Tax-Planning Strategies – not applicable.

	December 31, 2020		December 31, 2019		Change	
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.						
1 Adjusted Gross DTAs Amount From Note 9A1	\$12,922,703	\$283,191	\$15,474,027	\$482,930	\$(2,551,324)	\$(199,739)
2 Percentage of Adjusted Gross DTAs by Tax Character Attributable to the Impact of Tax Planning Strategies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3 Net deferred tax assets from Note 9A1	12,922,703	283,191	15,474,027	436,836	\$(2,551,324)	\$(153,645)
4 Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Admitted because of the Impact of Tax Planning Strategies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Does the Company's tax planning strategies include the use of reinsurance? No

B. Temporary differences for which a DTL has not been established:

All deferred tax liabilities have been properly recognized.

C. Significant components of income taxes incurred

a. Current income taxes incurred consist of the following major components:

	December 31,		Change
	2020	2019	
(a) Federal	\$ 43,380,303	\$ 38,847,936	\$ 4,532,367
(b) Foreign	—	—	—
(c) Subtotal	43,380,303	38,847,936	4,532,367
(d) Federal income tax on net capital gains	936,309	828,008	108,301
(e) Utilization of capital loss carry-forwards	—	—	—
(f) Other	—	—	—
(g) Federal and foreign income taxes incurred	\$ 44,316,612	\$ 39,675,944	\$ 4,640,668

## b. Deferred Tax Assets Resulting From Book/Tax Differences

	December 31,		
	2020	2019	Change
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 1,477,511	\$ 1,075,136	\$ 402,375
(2) Unearned premium reserve	—	1,256	(1,256)
(3) Policyholder reserves	—	—	—
(4) Investments	—	—	—
(5) Deferred acquisition costs	—	—	—
(6) Policyholder dividends accrual	—	—	—
(7) Fixed assets	—	—	—
(8) Compensation and benefits accrual	—	—	—
(9) Pension accrual	—	—	—
(10) Receivables - nonadmitted	3,096,161	8,931,592	(5,835,431)
(11) Net operating loss carry forward	—	4,424	(4,424)
(12) Tax credit carry forward	—	—	—
(13) Other	—	—	—
(14) Deferred gain related to intangibles	207,669	284,421	(76,752)
(15) Allowance for doubtful accounts	—	—	—
(16) Premium deficiency reserve	3,886,746	4,853,463	(966,717)
(17) Nondeductible liabilities	4,254,616	314,781	3,939,835
(18) Guarantee fund liability	—	8,954	(8,954)
(99) Subtotal	\$ 12,922,703	\$ 15,474,027	\$ (2,551,324)
(b) Statutory valuation allowance adjustment	—	—	—
(c) Nonadmitted	—	—	—
(d) Admitted ordinary DTAs (2a99 - 2b - 2c)	<u>\$ 12,922,703</u>	<u>\$ 15,474,027</u>	<u>\$ (2,551,324)</u>
(e) Capital			
(1) Investments	283,191	482,930	(199,739)
(2) Net capital loss carry-forward	—	—	—
(3) Real estate	—	—	—
(4) Other	—	—	—
(99) Subtotal	\$ 283,191	\$ 482,930	\$ (199,739)
(f) Statutory valuation allowance adjustment	—	—	—
(g) Nonadmitted	—	46,094	(46,094)
(h) Admitted capital DTAs (2a99 - 2f - 2g)	<u>\$ 283,191</u>	<u>\$ 436,836</u>	<u>\$ (153,645)</u>
(i) Admitted DTAs (2d + 2h)	<u>\$ 13,205,894</u>	<u>\$ 15,910,863</u>	<u>\$ (2,704,969)</u>

c. Deferred Tax Liabilities Resulting From Book/Tax Differences

	December 31,		
	2020	2019	Change
(a) Ordinary			
(1) Investments	\$ 663,997	\$ 607,480	\$ 56,517
(2) Fixed assets	—	—	—
(3) Deferred and uncollected premium	—	—	—
(4) Policyholder reserves	—	—	—
(5) Other	259,971	—	259,971
(6) Deferred intercompany gain	—	—	—
(7) Pharmacy rebates	—	—	—
(8) Other ins & contract holder liability	—	—	—
(9) Section 481 adjustment	—	—	—
(10) Discounting of unpaid losses	299,366	359,239	(59,873)
(11) Guarantee fund receivable	34,357	38,209	(3,852)
(99) Subtotal	\$ 1,257,691	\$ 1,004,928	\$ 252,763
(b) Capital			
(1) Investments	1,073,533	—	1,073,533
(2) Real estate	—	—	—
(3) Other	—	—	—
(99) Subtotal	\$ 1,073,533	\$ —	\$ 1,073,533
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 2,331,224	\$ 1,004,928	\$ 1,326,296

d. Net Deferred Tax Assets/(Liabilities)

Net deferred tax assets/(liabilities)(2i-3c)	\$ 10,874,670	\$ 14,905,935	\$ (4,031,265)
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The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	December 31,		
	2020	2019	Change
Total gross deferred tax assets	\$ 13,205,894	\$ 15,956,957	\$ (2,751,063)
Total deferred tax liabilities	2,331,224	1,004,928	1,326,296
Net adjusted deferred tax asset	10,874,670	14,952,029	(4,077,359)
Statutory valuation allowance	—	—	—
Net deferred tax asset after statutory valuation allowance	\$ 10,874,670	\$ 14,952,029	\$ (4,077,359)
Tax effect of unrealized gains and losses			1,119,626
Change in deferred income tax			\$ (2,957,733)

D. Reconciliation of total statutory income taxes reported to tax at statutory rate

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes including realized capital gains/losses. The significant items causing this difference are as follows:

	December 31, 2020	Tax Rate
Current income taxes incurred	\$ 44,316,612	35.82%
Change in deferred income tax (without tax on unrealized gains and losses)	2,957,733	2.39%
Total income tax reported	<u>\$ 47,274,345</u>	<u>38.21%</u>
Income before taxes	\$ 123,735,112	
	21%	
Expected tax expense at 21% statutory rate	<u>\$ 25,984,374</u>	<u>21.00%</u>
Increase (decrease) in actual tax reported resulting from:		
Meals and entertainment	\$ 11	0.00%
Investment income	\$ (25,385)	-0.02%
Change in nonadmitted assets	\$ 5,835,431	4.72%
Health insurance industry fee	\$ 15,475,409	12.51%
Other	\$ 4,505	0.00%
Total income tax reported	<u>\$ 47,274,345</u>	<u>38.21%</u>

E. Carryforwards, recoverable taxes, and IRC Sec. 6603 deposits:

- i. At December 31, 2020, the Company has utilized all of its net operating or capital loss carry forwards.
- ii. Income taxes, ordinary and capital, available for recoupment in the event of future losses include:

Year	Ordinary	Capital
2020	43,388,949	931,896
2019	33,545,876	830,386
2018	N/A	—

- iii. Deposits under IRS Code Section 6603 – not applicable.

F. Consolidated Federal Income Tax Return

The Company’s Federal Income Tax return is consolidated with Cigna and the following subsidiaries of Cigna:

Accredo Health Group, Inc.	Cigna Healthcare of California Inc	Express Scripts Sales Operations, Inc.
Accredo Health, Inc.	Cigna Healthcare of Colorado Inc	Express Scripts Senior Care Holdings, Inc.
AHG of New York, Inc.	Cigna Healthcare of Connecticut Inc	Express Scripts Senior Care, Inc.
Allegiance Benefit Plan Management Inc	Cigna Healthcare of Florida Inc	Express Scripts Services Company, Inc.
Allegiance Cobra Services Inc	Cigna Healthcare of Georgia Inc	Express Scripts Specialty Distribution Services, Inc.
Allegiance Life & Health Insurance Co	Cigna Healthcare of Illinois Inc	Express Scripts Strategic Development, Inc.
Allegiance Re Inc	Cigna Healthcare of Indiana Inc	Express Scripts Utilization Management, Inc.
American Retirement Life Insurance Company	Cigna Healthcare of Maine Inc	Express Scripts, Inc.
Arizona Healthplan Inc	Cigna Healthcare of Massachusetts Inc	Former Cigna Investments Inc
Benefit Management Corp	Cigna Healthcare of New Hampshire Inc	Freco, Inc.
BioPartners in Care, Inc.	Cigna Healthcare of New Jersey Inc	GreatWest Healthcare of Illinois Inc
Bravo Health Mid-Atlantic, Inc.	Cigna Healthcare of North Carolina Inc	Hazard Center Investment Co LLC
Bravo Health Pennsylvania, Inc.	Cigna Healthcare of Pennsylvania Inc	Healthbridge Reimbursement & Product Support, Inc.
Brighter, Inc.	Cigna Healthcare of South Carolina	Healthbridge, Inc.
Care Continuum, Inc.	Cigna Healthcare of St Louis Inc	Healthsource Benefits Inc
CareAllies, Inc.	Cigna Healthcare of Tennessee Inc	Healthsource Inc
CG Individual Tax Benefit Payments Inc	Cigna Healthcare of Texas Inc	Healthsource Properties Inc
CG Life Pension Benefit Payments Inc	Cigna Healthcare of Utah Inc	Healthspring Life & Health Insurance Company
CG LINA Pension Benefit Payments Inc	Cigna Holding Company	Healthspring of Florida, Inc.
Chiro Alliance Corporation	Cigna Holdings Inc	Healthspring, Inc.
Cigna Arbor Life Insurance Company	Cigna Holdings Overseas Inc	IHN Inc.
Cigna Behavioral Health Inc	Cigna Integrated Care Inc	Intermountain Underwriters Inc
Cigna Behavioral Health of California Inc	Cigna Intellectual Property Inc	Kronos Optimal Health Company
Cigna Behavioral Health of Texas	Cigna International Corporation	Life Ins Co of North America
Cigna Benefit Technology Solutions, Inc.	Cigna International Finance Inc	LINA Benefit Payments Inc
Cigna Benefits Financing, Inc.	Cigna International Services Inc	Loyal American Life Insurance Company
Cigna Dental Health Inc	Cigna Investment Group Inc	Lynnfield Compounding Center, Inc.
Cigna Dental Health of California Inc	Cigna Investments Inc	Lynnfield Drug, Inc.
Cigna Dental Health of Colorado Inc	Cigna Life Insurance Company of New York	MAH Pharmacy, LLC
Cigna Dental Health of Delaware Inc	Cigna Linden Holdings Inc	Managed Care Consultants Inc
Cigna Dental Health of Florida Inc	Cigna Managed Care Benefits Company	Matrix Healthcare Services, Inc.
Cigna Dental Health of Illinois Inc	Cigna National Health Insurance Company	MCC Independent Practice Assoc of New York Inc
Cigna Dental Health of Kansas Inc	Cigna Poplar Holdings Inc	Medco Containment Insurance Company of New York
Cigna Dental Health of Kentucky Inc	Cigna RE Corporation	Medco Containment Life Insurance Company
Cigna Dental Health of Maryland Inc	Cigna Resource Manager Inc	Medco Health Information Network Partners, Inc.
Cigna Dental Health of Missouri Inc	Cigna Worldwide Insurance Company	Medco Health Puerto Rico, LLC
Cigna Dental Health of New Jersey Inc	Connecticut General Benefit Payments Inc.	Medco Health Services, Inc.
Cigna Dental Health of North Carolina Inc	Connecticut General Corporation	Medco Health Solutions, Inc.
Cigna Dental Health of Ohio Inc	Connecticut General Life Insurance Company	Mediversal Inc
Cigna Dental Health of Pennsylvania Inc	Curascript, Inc.	Medsolutions Holdings, Inc.
Cigna Dental Health of Texas Inc	Diversified NY IPA, Inc.	Medsolutions of Texas, Inc.
Cigna Dental Health of Virginia Inc	Diversified Pharmaceutical Services, Inc.	Priority Healthcare Corporation
Cigna Dental Healthplan of Arizona Inc	ESI GP Holdings, Inc.	Priority Healthcare Distribution, Inc.
Cigna Direct Marketing Company Inc.	ESI Mail Order Processing, Inc.	Provident American Life and Health Insurance Company
Cigna Federal Benefits Inc	ESI Mail Pharmacy Service, Inc.	QUALCARE ALLIANCE NETWORKS, INC.
Cigna Global Holdings Inc	Evernorth Enterprise Services, Inc.	QUALCARE, INC.
Cigna Global Insurance Company Limited	Evernorth Health, Inc.	Sagamore Health Network Inc
Cigna Global Reinsurance Company LTD	Evernorth Sales Operations, Inc.	SCIBAL ASSOCIATES, INC.
Cigna Health and Life Insurance Company	Evernorth Strategic Development, Inc.	Spectracare Health Care Ventures, Inc.
Cigna Health Corporation	eviCore 1, LLC	SpectraCare, Inc.
Cigna Health Management Inc	Express Reinsurance Company	Tel-Drug Inc
Cigna Healthcare Benefits Inc	Express Scripts Administrators, LLC	United Benefit Life Insurance Company
Cigna Healthcare Holdings Inc	Express Scripts Canada Holding Company	Universal Claims Administration
Cigna Healthcare Inc	Express Scripts Health Information Network Partners, Inc.	Verity Solutions Group, Inc.
Cigna Healthcare Mid-Atlantic Inc	Express Scripts Pharmaceutical Procurement, LLC	
Cigna Healthcare of Arizona Inc	Express Scripts Pharmacy, Inc.	

G. Federal or Foreign Income Tax Loss Contingencies

(1) The statute of limitations for Cigna’s consolidated income tax returns through 2016 have closed. Cigna has filed amended consolidated tax returns for various years and the pending refunds are subject to Internal Revenue Service (IRS) review. Cigna is currently under examination for 2015 and 2017. The IRS has examined ESI’s tax returns for 2010 through

2012 for which there is a significant disputed tax matter, and ESI is currently under examination for 2013 through 2017. No material impacts are anticipated for the Company.

- (2) In Management’s opinion, the Company has adequate tax liabilities to address potential exposures involving tax positions the Company has taken that may be challenged by the IRS upon audit. These liabilities could be revised in the near term if estimates of Cigna’s ultimate liability change as a result of new developments or a change in circumstances. No material contingent tax liability is included in the Company’s current federal income tax payable. The Company does not expect a significant increase in federal or foreign contingent tax liability within the next twelve months.

H. Repatriation Transition Tax (RTT) – not applicable.

I. Alternative Minimum Tax (AMT) Credit – not applicable.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. B. and C.

As of December 31, 2020 and December 31, 2019, respectively, the Company paid \$148,000,000 and \$90,200,000 in ordinary dividends to NewQuest, LLC (the Parent). No capital contributions were received in 2020 or 2019.

The Company has entered into a line of credit agreement with Cigna under which the Company may lend up to \$100,000,000. The following table provides information about the loan as of December 31, 2020. Cigna did not borrow from this line of credit in 2019.

	2020	2019
Outstanding receivable balance	\$ 55,000,000	\$ 55,000,000
Outstanding interest receivable	—	—
Interest income	488,322	3,147
Average yearly interest rate	0.740 %	2.060%

The Company has entered into a line of credit agreement with Cigna Holdings, Inc. under which the Company may borrow up to \$100,000,000. The following table provides information about the borrowing as of December 31, 2020 and 2019.

	2020	2019
Outstanding payable balance	\$ —	\$ —
Outstanding interest payable	—	—
Interest expense	3,823	12,060
Average yearly interest rate	0.9770%	2.5790%

- D. At December 31, 2020 and 2019, respectively, the Company reported \$68,264,674 and \$83,118,888 as the net amounts due to the parent, subsidiaries and affiliates. These amounts are settled periodically, usually monthly.

E. Guarantees Resulting in a Material Contingent Exposure – not applicable.

F. Management Services Agreement

Fee Sharing Agreement (the Agreement) - Several of Cigna’s subsidiaries are subject to the Health Insurance Providers Fee, “the Fee”, which is imposed on each covered entity engaged in the business of providing health insurance for any United States health risk. Such entities, along with Cigna, are collectively treated as a single “covered entity” as that term is defined in Section 9010(c) and Treas. Reg. § 57.2(b). By entering into this Agreement, each Party has consented to select Cigna as its “designated entity” for the payment of this Fee. The Agreement allows Cigna to pay each year to the Treasury the Fee owed collectively by all covered entities in the group, and to perform all necessary and appropriate actions that may be required to fulfill Cigna's responsibilities as the designated entity. This Agreement further allows Cigna to delegate to a wholly owned subsidiary the authority to perform these actions on Cigna's behalf. For financial management and reporting purposes, Cigna and the Parties will allocate the Fee for each Fee Year among the Parties in proportion to estimates of each

Party's Premiums for that Fee Year. This Agreement was submitted for Department approval/non-disapproval, and the Company's participation in the Agreement became effective on August 11, 2014. Amendment One to the Fee Sharing Agreement was filed with the Department and approved on December 15, 2014.

The Company has contracted for managerial, administrative, and financial support services through an administrative service contract based on a percentage of premium revenue with HealthSpring Management of America, LLC (HSMA). The Company paid approximately \$658,612,561 and \$554,109,934 in 2020 and 2019, respectively, in exchange for these services. Under the same agreement, the Company contracted with HSMA to provide disease management services related to the implementation and operation of the Internal Disease Management Program. The Company paid approximately \$59,918,198 and \$59,534,992 in 2020 and 2019, respectively.

The Company has contracted with Cigna Investment, Inc. (CII) for investment advisory services. The Company and CII are indirect subsidiaries of Cigna Holdings, Inc., which is a direct wholly-owned subsidiary of Cigna. The Company paid \$1,010,736 and \$1,018,593 in 2020 and 2019, respectively, for these services.

Cigna's indirectly wholly-owned domestic subsidiary insurance companies have entered into a Consolidated Federal Income Tax Agreement (Tax Agreement), which became effective as of April 1, 1982. The Agreement sets forth the method of allocation of federal income taxes for Cigna and its wholly-owned domestic subsidiaries, including insurance subsidiaries. The Agreement provides for immediate reimbursement to companies with net operating losses to the extent that their losses are used to reduce consolidated taxable income; while those companies with current taxable income as calculated under federal separate return provisions, are liable for payment determined as if they had each filed a separate return. However, current credit is given for any foreign tax credit, operating loss or investment tax credit carryovers actually used in the current consolidated return. The Company participates as a party to the agreement and had \$14,399,110 and \$684,509 recoverable under the agreement as of December 31, 2020 and 2019, respectively.

The Company is a party to an Expense Sharing Agreement between Cigna and various affiliates and subsidiaries. With the exception of a limited number of expenses held at the corporate level such as expenses relating to investments, the servicing of debt, and stock compensation as calculated under SFAS No. 123R, all operating expenses of Cigna were allocated. These allocations were based on work effort studies and other appropriate methods, while other expenses such as outside legal fees were directly charged to the related company. Cigna did not allocate any corporate overhead expenses to the Company in 2020 or 2019.

The Company, CII and certain of its affiliates are parties to an investment pool agreement which provides for participation in a pool of short-term investments to facilitate effective cash management. There are no fees separately assessed related to this agreement.

The Company is party to the Network Access Agreement, as amended, entered into among health plan subsidiaries of Cigna Corporation and Connecticut General Life Insurance Company (CGLIC). The purpose of the agreement is to allow parties to access provider networks of CGLIC and other health plan affiliates that are also a party to the agreement. The Company's participation in the agreement was approved by the Department. As the Company is not currently utilizing the Network Access Agreement, there are no fees assessed related to this agreement.

The Company is party to the Intercompany Services Agreement by and among Connecticut General Life Insurance Company, Cigna Health Corporation on behalf of its health plan subsidiaries, and Cigna Health Management, Inc. for the provision of administrative services from Cigna Health Management, Inc. including the Health Information Line service for which the Company pays a capitated fee per member per month for claims related to such service. This agreement was approved by and remains on file with the Department.

The Company entered into the Pharmacy Rebate Affiliate Agreement amongst affiliates for the allocation or rebate payments received pursuant to agreements with drug manufacturers in connection with its Medicare Advantage Part D business.

Effective January 1, 2020, the Company is party to a Medicare and Medicaid Pharmacy Benefit Service Agreement ("the Agreement") with Express Scripts, Inc. ("ESI"). Under the



terms of the Agreement, ESI provides Pharmacy Benefits Management services to the Company and certain affiliates. Services include manufacturer revenue services, formulary administration and development services, pharmacy network contracting and network administration services, including home delivery pharmacy and specialty pharmacy services, claims processing services, account management services, care management and clinical services, information technology products and services, training services, reports, and transition out services. The services to be performed under the Agreement relate solely to the Medicare and Medicaid health plans offered by the Company.

Effective June 1, 2020, the Company is party to a Master Health System Agreement (“the System Agreement”) with eviCore Healthcare MSI, LLC (“eviCore”). Under the terms of the System Agreement, eviCore provides medical benefits management to the Company and certain affiliates. Services include utilization review (including pre-certifications), medical necessary determinations and appeals, site of service review, proprietary claims editing and bundling, network access and other network solutions, member engagement, claims processing, claims payment, care coordination, case management, quality management, benefit determinations and other benefit services, complaints/grievances, the reporting of data on Services rendered, and other ancillary services the parties may agree upon.

G. Ownership

All outstanding shares of the Company are owned by NewQuest, LLC, a limited liability company domiciled in the state of Texas, which is a wholly owned subsidiary of HealthSpring, Inc., a Delaware corporation, which is an indirect wholly-owned subsidiary of Cigna. The Cigna organizational structure is documented in Schedule Y.

- H. Upstream Intermediate Entity – not applicable.
- I. Investment in SCA Entity that Exceeds 10% of Admitted Assets – not applicable.
- J. Investments in Impaired SCA’s – not applicable.
- K. Investments in Foreign Insurance Subsidiaries – not applicable.
- L. Investment in a Downstream Non-Insurance Holding Company – not applicable.
- M. Investment in SCA – not applicable.
- N. Investment in Insurance – not applicable.
- O. SCA Loss Tracking- not applicable.

11. Debt

A. Debt and Capital Notes

The Company had no capital notes outstanding at December 31, 2020 and 2019.

The Company had no external borrowed money outstanding at December 31, 2020 and 2019.

The Company has entered into a line of credit agreement with Cigna Holdings, Inc. under which the Company may borrow up to \$100,000,000. The following table provides information about the borrowing as of December 31, 2020 and 2019.

	2020	2019
Outstanding payable balance	\$ —	\$ —
Outstanding interest payable	—	—
Interest expense	3,823	12,060
Average yearly interest rate	0.9770%	2.5790%

B. FHLB Agreements – not applicable.

12. Retirement Plans, Deferred Compensation, Post-Employment Benefits and Compensated Absences and Other Postretirement Benefit Plans
- A. Defined Benefit Plan – not applicable.
  - B. Investment Policies and Strategies for Plan Assets – not applicable.
  - C. Fair Value Measurement of Plan Assets – not applicable.
  - D. Rate of Return on Plan Assets – not applicable.
  - E. Defined Contribution Plan – not applicable.
  - F. Multi-Employer Plan – not applicable.
  - G. Consolidated/Holding Company Plans – not applicable.
  - H. Postemployment Benefits and Compensated Absences – not applicable.
  - I. Impact of Medicare Modernization Act on Postretirement Benefits – not applicable.

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

- 1. The Company has 5,000,000 shares authorized, 2,500,000 shares issued and outstanding of \$1 par value Common Stock, owned entirely by NewQuest, LLC.
- 2. The Company has no preferred stock outstanding.
- 3. The payment of dividends by the Company to the shareholder is limited and can only be made from earned profits unless prior approval is received from the Department. The maximum amount of dividends that may be paid by insurance companies without prior approval is also subject to restrictions relating to statutory surplus and net income. The maximum ordinary dividend distribution allowed by the Company is \$79,418,500 in 2021. The Company’s dividends are noncumulative.
- 4. As of December 31, 2020 and December 31, 2019, respectively, the Company paid \$148,000,000 and \$90,200,000 in ordinary dividends to NewQuest, LLC (the Parent). No capital contributions were received in 2020 or 2019.
- 5. Within the limits of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- 6. Restrictions on Unassigned Surplus – none.
- 7. For Mutual Companies, Advances to Surplus Not Repaid – not applicable.
- 8. Stock Held by the Company, Including Stock of Affiliated Companies – not applicable.
- 9. Special Surplus Funds – The Company had changes in the balance of the special surplus funds from the prior year due to the ACA insurer fee segregated surplus requirement of \$(76,018,245) in 2020 and \$76,018,245 in 2019.
- 10. Unassigned surplus was increased/(reduced) by the following:

	2020	2019
Unrealized gains and losses in surplus	\$ (1,167,755)	\$ 1,625,309
Unrealized foreign exchange capital gain/loss	5,379,684	0
Change in nonadmitted assets	27,833,861	(27,241,555)
Change in deferred income tax	(2,957,733)	6,013,309

## 11. Surplus Note

In 2020, the Company received the approval of the Insurance Commissioner of the State of Tennessee for payment of the principal of the \$900,000 surplus note payable (Note). The Note, which had been payable to its Parent, was non-interest bearing and had no stated maturity date. The Company did not accrue or pay any interest during 2020 and 2019 as regulatory approval was not sought or obtained.

## 12. Quasi-Reorganization – not applicable.

## 13. Date of a Quasi –Reorganization – not applicable.

## 14. Liabilities, Contingencies and Assessments

## A. Contingent Commitments

As of December 31, 2020, the Company had commitments to purchase \$4 million of bonds, all of which bear interest at a fixed market rate. The Company expects to disburse all of the committed amounts during 2021.

## B. Assessments

The Company operates in a regulatory environment that may require its participation in assessments under state insurance guaranty association laws. The Company's exposure to assessments for certain obligations of insolvent insurance companies to policyholders and claimants is based on its share of business written in the relevant jurisdictions.

There were no material impacts related to existing or new guaranty fund assessments for the year ended December 31, 2020.

## C. Gain Contingencies – none.

## D. Claims-Related Extra Contractual Obligations – none.

## E. Joint and Several Liabilities – none.

## F. All Other Liabilities:

## Litigation and Other Legal Matters:

Cigna and its subsidiaries, including the Company, are routinely involved in numerous claims, lawsuits, regulatory inquiries and audits, government investigations, including under the federal False Claims Act and state false claims acts initiated by a government investigating body or by a qui tam relator's filing of a compliant under court seal, and other legal matters arising, for the most part, in the ordinary course of managing a health services business. Any disputed tax matters arising from audits by the Internal Revenue Service ("IRS") or other state and foreign jurisdictions, including those resulting in litigation, are accounted for under the NAIC's accounting guidance for tax loss contingencies.

As of December 31, 2020 there were no pending litigation and legal or regulatory matters determined to have a reasonably possible material loss. In light of the uncertainties involved in these matters, there is no assurance that their ultimate resolution will not exceed current expectations. An adverse outcome in one or more of these matters could be material to Cigna's results of operations, financial condition or liquidity for any particular period. The outcomes of lawsuits are inherently unpredictable, and Cigna may be unsuccessful in these ongoing litigation matters or any future claims or litigation.

**Civil Investigative Demand.** The U.S. Department of Justice ("DOJ") is conducting an industry review of Medicare Advantage organizations' risk adjustment practices under Medicare Parts C and D, including medical chart reviews and health exams. For certain other Medicare Advantage organizations, the investigation has resulted in litigation Cigna is currently responding to information requests (civil investigative demands) received from the DOJ (U.S. Attorney's Offices for the Eastern District of Pennsylvania and the Southern District of New York ("SDNY")). Cigna will continue to cooperate with the DOJ's investigation. Additionally, in relation to the SDNY's pending investigation, a qui tam action that was filed by a relator in the United States District Court for the Southern District of New

York in 2017 was unsealed on August 6, 2020. The action asserts claims related to risk adjustment practices arising from certain home health exams conducted as part of Cigna's Medicare Advantage business. The DOJ has not intervened in the case at this time.

***Risk Adjustment Data Validation Audits.*** The Medicare Advantage (MA) business is subject to reviews, including risk adjustment data validation ("RADV") audits by CMS and the Office of the Inspector General ("OIG"). It is expected that CMS, OIG and other federal agencies will continue to closely scrutinize components of the Medicare program.

In 2018, CMS issued a proposed rule that included, among other things, extrapolation of the error rate related to RADV audit findings without applying the adjustment for underlying fee-for-service data errors as currently contemplated by CMS's RADV audit methodology. RADV audits for the Company's contract year's 2011 through 2015 are currently in process. CMS has announced its intent to use third-party auditors to audit all Medicare Advantage contracts by either a comprehensive or a targeted RADV review for each contract year. If the proposed rule is adopted in its current form, it could result in some combination of degraded plan benefits, higher monthly premiums or reduced choice for the population served by all MA insurers. Cigna, along with other MA organizations and additional interested parties, submitted comments to CMS on the proposed rule as part of the notice-and-comment rulemaking process. The comment period concluded on August 28, 2019 and CMS is expected to act by November 2021. If CMS adopts the rule as proposed, there could be a significant impact on the Company's future results of operations, though it is expected the rule would be subject to legal challenges.

In addition, the Company is subject to OIG RADV audits that are in process. Also, the U.S. Department of Justice is currently conducting an industry-wide investigation of risk adjustment data submission practices and business process, which in the case of certain other MA organizations has resulted in litigation.

The Company's Texas Medicare Advantage plan (H4513) was selected by CMS for a RADV Audit of the 2011 risk adjustment data used to determine 2012 premium rates. The audit was completed in 2016, but final results have not been released by CMS.

The Company's Alabama Medicare Advantage plan (H0150) and Texas Medicare Advantage plan (H4513) were selected by CMS for a RADV Audit of the 2012 risk adjustment data used to determine 2013 premium rates. The audit was completed in 2017, but final results have not been released by CMS.

The Company's Alabama Medicare Advantage plan (H0150), Illinois Medicare Advantage plan (H1415), Tennessee Medicare Advantage plan (H4454) and Texas Medicare Advantage plans (H4513 and H4528) were selected by CMS for a RADV Audit of the 2013 risk adjustment data used to determine 2014 premium rates. The audit was completed in 2019, but final results have not been released by CMS.

The Company's Alabama Medicare Advantage plan (H0150), Illinois Medicare Advantage plan (H1415), Mississippi Medicare Advantage plan (H4407) Tennessee Medicare Advantage plan (H4454), and Texas Medicare Advantage plans (H4513 and H4528) were selected by CMS for a RADV Audit of the 2014 risk adjustment data used to determine 2015 premium rates. The audit is in process and is expected to be completed in April, 2021.

The Company's Tennessee Medicare Advantage plan (H4454) and Texas Medicare Advantage plan (H4513) were selected by OIG for an OIG RADV Audit related to contract years 2016 and 2017. The audit is in process. The TN audit will conclude on April 1<sup>st</sup>, 2021 and the TX audit will conclude on May 1<sup>st</sup>, 2021.

The Company's Texas (H4513) and Mississippi (H4407) plans were selected for the National Sample audit for the 2019 Payment year. The audit is scheduled to conclude in June, 2021.

***Health Care Regulation.*** As a managed care organization, the Company's operations are and will continue to be subject to pervasive federal, state, and local government regulation, which will have a material impact on our operations. The laws and regulations affecting our industry give state and federal regulatory authorities broad discretion in their exercise of supervisory, regulatory, and administrative powers. These laws and regulations are intended primarily for the benefit of members of and providers to the Company. Health care regulation in its various forms could have an adverse effect on Company's health care operations if it inhibits the Company's ability to respond to market demands or results in increased medical or administrative costs without improving the quality of care or services.

- G. Uncollectible Amounts – none.
- 15. Leases
  - A. Lessee Operating Leases – none.
  - B. Lessor Leases – none.
- 16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk
  - 1. Financial Instruments with Off-Balance Sheet Risk – not applicable.
  - 2. Nature and Terms of Financial Instruments with Off-Balance Sheet Risk – not applicable.
  - 3. Amount of Loss – not applicable.
  - 4. Policy for Requiring Collateral – not applicable.
- 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
  - A. Transfer of Receivables Reported as Sales – not applicable.
  - B. Transfer and Servicing of Financial Assets – not applicable.
  - C. Wash Sales – none.
- 18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans
  - A. ASO Plans – not applicable.
  - B. ASC Plans – not applicable.
  - C. Medicare or Similarly Structured Cost Based Reimbursement Contracts – not applicable.
- 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators – not applicable.
- 20. Fair Value Measurements

**A. Fair Value Measurements**

Fair value is defined as the price at which an asset could be exchanged in an orderly transaction between market participants at the balance sheet date. The Company's financial assets have been classified based upon a hierarchy defined by SAP. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a financial asset or liability carried at fair value would be classified in Level 3 if unobservable inputs were significant to the instrument's fair value, even though the measurement may be derived using inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

- Level 1

Inputs for instruments classified in Level 1 include unadjusted quoted prices for identical assets in active markets accessible at the measurement date. Active markets provide pricing data for trades occurring at least weekly and include exchanges and dealer markets.
- Level 2

Inputs for instruments classified in Level 2 include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are market observable or can be corroborated by market data for the term of the instrument. Such other inputs include market interest rates and volatilities, spreads and yield curves. An instrument is classified in Level 2 if the Company determines that unobservable inputs are insignificant. Level 2 assets primarily include corporate bonds valued using recent trades of similar securities or pricing models that discount future cash flows at estimated market interest rates.
- Level 3

Certain inputs for instruments classified in Level 3 are unobservable (supported by little or no market activity) and significant to their resulting fair value measurement. Unobservable inputs reflect the Company’s best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

1. Fair Value Measurements at Reporting Date

The Company carries certain financial instruments at fair value in the financial statements including bonds valued at the lower of cost or fair value when reported at fair value at the balance sheet date.

The following tables provide information about the Company’s financial instruments carried at fair value as of December 31, 2020 and 2019.

Financial Assets at Fair Value	(Level 1)		(Level 2)		(Level 3)		Net Asset Value (NAV)	Total
<b>December 31, 2020</b>								
Bonds	\$	—	\$	4,583,160	\$	—	\$	4,583,160
<b>December 31, 2019</b>								
Bonds	\$	—	\$	7,774,495	\$	—	\$	7,774,495

2. Fair Value Measurements in Level 3 of the Fair Value Hierarchy

The following tables summarize the changes in financial instruments classified in Level 3 for the years ended December 31, 2020 and 2019. Gains and losses reported in this table may include net changes in fair value that are attributable to both observable and unobservable inputs.

For the Year Ended December 31, 2020										
Level 3 Financial Assets	Beg Balance 1/1/20	Transfers into Level 3	Transfers out of Level 3	Total gains (losses) included in Net Income	Total losses included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance 12/31/20
Bonds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
For the Year Ended December 31, 2019										
Level 3 Financial Assets	Beg Balance 1/1/19	Transfers into Level 3	Transfers out of Level 3	Total losses included in Net Income (1)	Total losses included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance 12/31/19
Bonds	\$ —	\$2,037,000	\$(2,037,000)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

3. Level 3 Transfers

Reclassifications impacting Level 3 financial instruments are reported as transfers into or out of the Level 3 category. Gains and losses in net income and surplus only reflect activity for the period the instrument was classified in Level 3. Transfers into or out of the Level 3 category occur when there is a change in the measurement basis in the period for lower-rated bonds valued at the lower of cost or fair value. Transfers into or out of

Level 3 may also occur when observable inputs, such as the Company’s best estimate of what a market participant would use to determine a current transaction price, become more or less significant to the fair value measurement. For the year ended December 31, 2020 there were no level 3 transfers. For the year ended December 31, 2019, transfers out of Level 3 were due to bond sales.

4. Valuation Techniques and Inputs

The Company estimates fair values using prices from third parties or internal pricing methods. Fair value estimates received from third-party pricing services are based on reported trade activity and quoted market prices when available, and other market information that a market participant may use to estimate fair value. Such other inputs include market interest rates and volatilities, spreads, and yield curves. The internal pricing methods are performed by the Company’s investment professionals and generally involve using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality, as well as other qualitative factors. In instances where there is little or no market activity for the same or similar instruments, the fair value is estimated using methods, models, and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price.

B. Other Fair Value Disclosures

The Company provides additional fair value information in Notes 1 and 5.

C. Aggregate Fair Value of All Financial Instruments

The following tables provide the fair value, carrying value, and classification in the fair value hierarchy of the Company’s financial instruments as of December 31, 2020 and 2019.

Financial Assets	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
December 31, 2020							
Bonds	\$890,080,147	\$820,326,778	\$ 7,456,846	\$ 829,004,047	\$53,619,254	\$ —	\$ —
Cash, Cash Equivalents and short	71,391,738	71,391,738	(17,326,266)	88,718,004	—	—	—
Commercial mortgage loans	23,441,724	22,600,000	—	—	23,441,724	—	—
Total	<u>\$961,471,885</u>	<u>\$891,718,515</u>	<u>\$ (9,869,420)</u>	<u>\$ 917,722,051</u>	<u>\$53,619,254</u>	<u>\$ —</u>	<u>\$ —</u>
December 31, 2019							
Bonds	\$709,121,952	\$672,990,419	\$ 7,417,652	\$ 697,834,000	\$ 3,870,300	\$ —	\$ —
Cash and Cash Equivalents	33,562,552	46,889,641	(15,437,359)	48,999,912	—	—	—
Total	<u>\$742,684,504</u>	<u>\$719,880,060</u>	<u>\$ (8,019,707)</u>	<u>\$ 746,833,912</u>	<u>\$ 3,870,300</u>	<u>\$ —</u>	<u>\$ —</u>

The following valuation methodologies and significant assumptions are used by the Company to determine fair value for each instrument.

Bonds

The methods and significant assumptions used to estimate the fair value of bonds are described in A4 above.

Commercial mortgage loans

The Company estimates the fair value of commercial mortgage loans generally by discounting cash flows at estimated market interest rates that reflect the Company’s assessment of the credit quality of the loans. Market interest rates are derived by calculating the appropriate spread over comparable U.S. Treasury rates, based on the property type, quality rating and average life of the loan. The quality ratings reflect the relative risk of the loan, considering debt service coverage, the loan-to-value ratio and other factors. Fair values of impaired mortgage loans are based on the estimated fair value of the underlying collateral generally determined using an internal discounted cash flow model.

**Short-Term Investments, Cash Equivalents, and Cash**

Short-term investments, cash equivalents, and cash are carried at cost which approximates fair value. Short-term investments and cash equivalents are classified in Level 2, and cash is classified in Level 1.

**D. Disclosures about Financial Instruments Not Practicable to Estimate Fair Value – None.**

**E. Investments Measured Using the NAV Practical Expedient – None**

21. Other Items

A. Unusual or Infrequent Items – none.

B. Troubled Debt Restructuring: Debtors – none.

C. Other Disclosures - none

D. Business Interruption Insurance Recoveries – none.

E. State Transferable and Non-transferable Tax Credits – none.

F. Subprime-Mortgage-Related Risk Exposure

1. The Company did not hold any subprime mortgage loans in 2020 and 2019 and, therefore, is not subject to the related risk exposure pertaining to subprime mortgages.

2. Direct Exposure through Investments in Subprime Loans – not applicable.

3. Direct Exposure through Other Investments – not applicable.

4. Underwriting Exposure to Subprime Mortgage Risk – not applicable.

G. Retained Assets – none.

H. Insurance-Linked Securities (ILS) Contracts – none.

I. Amount That Could be Realized on Life Insurance Where Reporting Entity is Owner or Beneficiary or Has Otherwise Obtained Rights to Control the Policy – not applicable

22. Events Subsequent

*Type I – Recognized Subsequent Events:*

The Company is not aware of any Type I events that occurred subsequent to the close of the books or accounts for this statement which would have a material effect on the financial condition of the Company. In preparing these financial statements, the Company evaluated events that occurred between the balance sheet date and February 26, 2021 for the statutory statement filed on February 26, 2021.

*Type II – Nonrecognized Subsequent Events:*

The Company is not aware of any Type II events that occurred subsequent to the close of the books or accounts for this statement which would have a material effect on the financial condition of the Company. Subsequent events have been considered through February 26, 2021 for the statutory statement issued on February 26, 2021.

The Affordable Care Act Section 9010 assessment has been repealed effective January 1, 2021.



23. Reinsurance

A. Ceded Reinsurance Report

Section 1- General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee or director of the Company?

Yes ( ) No (X)

- (2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes ( ) No (X)

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. None.

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes ( ) No (X)

B. Uncollectible Reinsurance – none.

C. Commutation of Ceded Reinsurance – none.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – none.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Method Used to Estimate Accrued Retrospective Premium Adjustments – The Company estimates accrued retrospective premium adjustments for its Medicare business based on guidelines determined by CMS.

B. Where Accrued Retrospective Premium Adjustments are Recorded – The Company records accrued retrospective premium as an adjustment to net written premium.

C. Amount of Net Written Premiums Subject to Retrospective Rating Features – The amount of new written premiums at December 31, 2020 and 2019 that are subject to retrospective rating features or subject to redetermination were:

	December 31,	
	2020	2019
CMS risk adjustment		
Premium impact	151,842,033	193,658,974
Percentage of total premiums	3.0%	4.3%
Risk corridor adjustment		
Premium impact	(4,938,003)	(2,775,899)
Percentage of total premiums	-0.1%	-0.06%

D. Medical loss ratio rebates required pursuant to the Public Health Service Act

On January 1, 2014, the Company became subject to the minimum loss ratio rebate provisions of the Affordable Care Act (ACA). ACA require payment of premium rebates to customers covered under the Company’s comprehensive medical insurance if certain annual minimum medical loss ratios are not met. At the close of each quarter, the Company records its rebate accrual based on year-to-date estimated medical loss ratios calculated as prescribed by the interim final rule issued by the Department of Health & Human Services using year-to-date premium and claim information by state and market segment. Since this accrual reflects the amount of rebate that would be payable based on year-to-date estimated medical loss ratios, the amount of rebate will fluctuate as actual claim experience develops each calendar quarter.

The Company accrued a rebate of \$4,041,080 as of December 31, 2020 and accrued no rebate as of December 31, 2019.

	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ —	\$ —	\$ —	\$ —	\$ —
(2) Medical loss ratio rebates paid	—	—	—	134,322	134,322
(3) Medical loss ratio rebates unpaid	—	—	—	—	—
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	—
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	—
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ —
Current Reporting Year-to-date					
(7) Medical loss ratio rebates incurred	\$ —	\$ —	\$ —	\$ —	\$ —
(8) Medical loss ratio rebates paid	—	—	—	—	—
(9) Medical loss ratio rebates unpaid	—	—	—	4,041,080	4,041,080
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	—
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	—
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 4,041,080

E. Risk Sharing Provisions of the Affordable Care Act – the Company does not write business subject to the Risk Sharing Provisions of the Affordable Care Act.

25. Change in Incurred Claims and Claim Adjustment Expenses

The following table shows the liability for claims unpaid as of December 31, 2020 and amounts paid during the current year on these liabilities. Reserves remaining for prior years result from a re-estimation of unpaid claims and claim adjustment expenses and reflect a favorable/ (unfavorable) development since December 31, 2020. This release is generally the result of

ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

	Unpaid Claims	Accrued Medical Incentive Pool & Bonus	Healthcare Receivable	Total
12/31/2019 Balance	\$ 305,139,204	\$ 30,101,346	\$ 120,362,942	\$ 214,877,608
Paid/(Received)	277,318,723	28,876,668	129,465,182	176,730,209
Favorable/(Unfavorable) Development	9,024,564	294,955	(9,700,227)	19,019,746
12/31/2020 Balance for 2019 & Prior	<u>\$ 18,795,917</u>	<u>\$ 929,723</u>	<u>\$ 597,987</u>	<u>\$ 19,127,653</u>

Changes in unpaid claims adjustment expenses of \$2,463,071 and \$(419,265) for 2020 and 2019, respectively, are included in claim adjustment expenses.

26. Intercompany Pooling Arrangements

A.-G. – none.

27. Structured Settlements – not applicable.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

The pharmacy rebates receivables are net of non-admitted receivables. The Company had non-admitted pharmacy rebates of \$4,417,420 and \$4,224,570 as of December 31, 2020 and December 31, 2019, respectively. The estimated pharmacy rebates are as follows:

December 31, 2020					
Quarter ended	Estimated pharmacy rebates as reported in statutory basis financial statements	Pharmacy rebates as billed	Actual rebates received within 90 days of billing	Actual rebates received within 91 to 180 days of billing	Actual rebates received more than 180 days of billing
December 31, 2020	\$ 78,983,480	\$ 153,514,870	\$ 64,648,281	\$ —	\$ —
September 30, 2020	84,746,785	54,818,075	38,386,113	15,315,280	—
June 30, 2020	81,449,063	148,233,001	34,725,900	56,867,157	56,455,723
March 31, 2020	80,651,568	89,747,059	32,690,002	53,843,787	2,789,663
December 31, 2019	\$ 45,363,001	\$ 73,720,824	\$ 33,335,179	\$ 41,529,105	\$ 5,760,714
September 30, 2019	52,504,186	79,169,694	30,588,643	40,236,496	9,102,820
June 30, 2019	77,621,960	79,797,339	72,789,831	—	6,839,936
March 31, 2019	57,696,877	72,348,892	46,401,355	19,625,359	6,017,510
December 31, 2018	\$ 48,978,636	\$ 63,690,596	\$ 63,233,887	\$ 454,748	\$ 1,961
September 30, 2018	48,417,025	61,868,972	61,737,204	99,225	32,543
June 30, 2018	48,539,640	60,170,327	60,087,386	39,483	43,458
March 31, 2018	43,060,304	52,306,934	51,361,309	911,560	34,065

B. Risk Sharing Receivables

Calendar Year	Evaluation Period	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Collected in Year Invoiced	Actual Risk Sharing Receivable First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
2020	2020	\$ —	\$28,957,194	\$ —	\$28,861,094	\$ 96,100	\$ —	\$ —	\$ —
	2021	xxx	—	xxx	—	xxx	—	xxx	—
2019	2019	\$30,547,354	\$ —	\$ —	\$ —	\$32,797,136	\$ —	\$ —	\$ —
	2020	xxx	—	xxx	—	xxx	—	xxx	—
2018	2018	\$ —	\$ —	\$ —	\$ —	\$21,243,701	\$ —	\$ —	\$ —
	2019	xxx	—	xxx	—	xxx	—	xxx	—

Other Healthcare Receivables

Claims overpayment receivables	\$ 793,749
Capitation arrangement receivables	1,631
Other healthcare receivables	4,712,143
	<u>\$ 5,507,523</u>

29. Participating Policies – none.

30. Premium Deficiency Reserves

Premium deficiencies occur when it is probable that expected claims expense (hospital/medical expenses and administrative expenses) will exceed future premiums on existing insurance contracts. For purposes of estimating premium deficiency losses, contracts are grouped in a manner consistent with the Company’s method of acquiring, servicing, and measuring the profitability of such contracts. The Company had liabilities related to premium deficiency reserves on its Medicaid business as shown below at December 31, 2020 and 2019. The Company did not consider anticipated investment income when calculating its premium deficiency reserves.

	December 31, 2020	December 31, 2019
1. Liability carried for premium deficiency reserves	\$ 18,508,316	\$ 23,111,730
2. Date of the most recent evaluation of this liability	December 31, 2020	December 31, 2019
3. Was anticipated investment income utilized in the calculation?	No	No

31. Anticipated Salvage and Subrogation – none.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes ☒ No ☐

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐

1.3

State Regulating?

Texas

1.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes ☒ No ☐

1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

001739940

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2019

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2014

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

04/25/2016

3.4

By what department or departments?  
Texas Department of Insurance

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ N/A ☒

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ N/A ☐

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business?  
4.12 renewals?

Yes ☐ No ☒  
Yes ☐ No ☒

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business?  
4.22 renewals?

Yes ☐ No ☒  
Yes ☐ No ☒

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?  
If yes, complete and file the merger history data file with the NAIC.

Yes ☐ No ☒

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒

7.2

If yes,  
7.21 State the percentage of foreign control;  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

%

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [ ] No [ X ]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ ] No [ X ]

8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

PricewaterhouseCoopers, LLC 150 3rd Ave. S, Suite 1400 Nashville, TN 37201

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [ ] No [ X ]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [ ] No [ X ]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [ X ] No [ ] N/A [ ]

10.6

If the response to 10.5 is no or n/a, please explain

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Gregory N. Malone, Appointed Actuary, Cigna Healthcare Reserving, 900 Cottage Grove Road, Bloomfield, CT 06152

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [ ] No [ X ]

12.11

Name of real estate holding company

12.12

Number of parcels involved

0

12.13

Total book/adjusted carrying value

\$ 0

12.2

If, yes provide explanation:

13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

N/A

13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [ ] No [ ]

13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [ ] No [ ]

13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [ ] No [ ] N/A [ X ]

14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [ X ] No [ ]

a.

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b.

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c.

Compliance with applicable governmental laws, rules and regulations;

d.

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e.

Accountability for adherence to the code.

14.11

If the response to 14.1 is No, please explain:

14.2

Has the code of ethics for senior managers been amended?

Yes [ ] No [ X ]

14.21

If the response to 14.2 is yes, provide information related to amendment(s).

14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [ ] No [ X ]

14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpring Life & Health Insurance Company, Inc.

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2  Issuing or Confirming Bank Name	3  Circumstances That Can Trigger the Letter of Credit	4  Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [ X ] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers\$0

20.12 To stockholders not officers\$0

20.13 Trustees, supreme or grand (Fraternal Only)\$0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers\$0

20.22 To stockholders not officers\$0

20.23 Trustees, supreme or grand (Fraternal Only)\$0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others\$0

21.22 Borrowed from others\$0

21.23 Leased from others\$0

21.24 Other\$0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [ X ]
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment\$0

22.22 Amount paid as expenses\$0

22.23 Other amounts paid\$0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03). Yes [ X ] No [ ]
- 24.02 If no, give full and complete information relating thereto
- 24.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$
- 24.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$
- 24.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [ X ]
- 24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [ X ]
- 24.08 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [ X ]

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpring Life & Health Insurance Company, Inc.

GENERAL INTERROGATORIES

24.09 For the reporting entity’s securities lending program state the amount of the following as of December 31 of the current year:

24.091	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.092	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$	0
24.093	Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes [ X ] No [ ]

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	
		25.22 Subject to reverse repurchase agreements	\$	
		25.23 Subject to dollar repurchase agreements	\$	
		25.24 Subject to reverse dollar repurchase agreements	\$	
		25.25 Placed under option agreements	\$	
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	
		25.27 FHLB Capital Stock	\$	
		25.28 On deposit with states	\$	8,656,035
		25.29 On deposit with other regulatory bodies	\$	
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	
		25.32 Other	\$	

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [ ] No [ X ]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes [ ] No [ ] N/A [ X ]

If no, attach a description with this statement.

LINES 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity?

Yes [ ] No [ X ]

26.4 If the response to 26.3 is YES, does the reporting entity utilize:

26.41 Special accounting provision of SSAP No. 108	Yes [ ] No [ ]
26.42 Permitted accounting practice	Yes [ ] No [ ]
26.43 Other accounting guidance	Yes [ ] No [ ]

26.5 By responding YES to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:

Yes [ ] No [ ]

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [ ] No [ X ]

27.2 If yes, state the amount thereof at December 31 of the current year.

\$

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [ X ] No [ ]

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
JPMorgan Chase Bank, N.A.	4 Chase MetroTech Center Brooklyn, New York 11245



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GENERAL INTERROGATORIES

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?..... Yes [ ] No [ X ]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Cigna Investments, Inc., 900 Cottage Grove Road, Bloomfield, CT 06002 .....	A.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [ ] No [ X ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [ ] No [ X ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With Securities & Exchange Commission .....	5 Investment Management Agreement (IMA) Filed
105811 .....	105811 .....	Not available .....	DS.....	

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? ..... Yes [ ] No [ X ]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpring Life & Health Insurance Company, Inc.

GENERAL INTERROGATORIES

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	870,044,782	939,798,151	69,753,369
30.2 Preferred stocks .....	0		0
30.3 Totals	870,044,782	939,798,151	69,753,369

30.4 Describe the sources or methods utilized in determining the fair values:  
Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality. In instances where there is little or no market activity for the same or similar instruments, the Company estimates fair value using methods, models and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve some level of estimation and judgment by the Company which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used. ....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [ X ] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ ] No [ X ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
Broker prices are used on less than 2% of securities, mainly due to timing of new purchases where price is not yet available by pricing vendor. The Company reviews prices provided by brokers for reasonableness based on comparisons to similar securities that are priced by either external pricing vendor or the Company. ....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? ..... Yes [ X ] No [ ]

32.2 If no, list exceptions: .....  
.....

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:  
a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.  
b. Issuer or obligor is current on all contracted interest and principal payments.  
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.  
Has the reporting entity self-designated 5GI securities? ..... Yes [ ] No [ X ]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:  
a. The security was purchased prior to January 1, 2018.  
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.  
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.  
Has the reporting entity self-designated PLGI securities? ..... Yes [ ] No [ X ]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:  
a. The shares were purchased prior to January 1, 2019.  
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.  
d. The fund only or predominantly holds bonds in its portfolio.  
e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.  
f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.  
Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? ..... Yes [ ] No [ X ]

36. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:  
a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.  
b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.  
c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.  
d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 36.a - 36.c are reported as long-term investments.  
Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? ..... Yes [ ] No [ X ] N/A [ ]

GENERAL INTERROGATORIES

OTHER

37.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....0

37.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....

38.1 Amount of payments for legal expenses, if any? .....\$ .....0

38.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....

39.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....0

39.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [ ] No [ X ]

1.2

If yes, indicate premium earned on U.S. business only.

\$

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$

0

1.6

Individual policies:

Most current three years:

1.61 Total premium earned

\$

0

1.62 Total incurred claims

\$

0

1.63 Number of covered lives

0

All years prior to most current three years:

1.64 Total premium earned

\$

0

1.65 Total incurred claims

\$

0

1.66 Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71 Total premium earned

\$

0

1.72 Total incurred claims

\$

0

1.73 Number of covered lives

0

All years prior to most current three years:

1.74 Total premium earned

\$

0

1.75 Total incurred claims

\$

0

1.76 Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1 Premium Numerator

5,100,972,387

4,479,251,145

2.2 Premium Denominator

5,100,972,387

4,479,251,145

2.3 Premium Ratio (2.1/2.2)

1.000

1.000

2.4 Reserve Numerator

494,061,251

363,177,198

2.5 Reserve Denominator

494,061,251

363,177,198

2.6 Reserve Ratio (2.4/2.5)

1.000

1.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [ ] No [ X ]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [ X ] No [ ]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [ ] No [ ]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [ ] No [ X ]

5.2

If no, explain:  
Management has elected not to purchase stop-loss reinsurance based on historical trends

5.3

Maximum retained risk (see instructions)

5.31 Comprehensive Medical

\$

0

5.32 Medical Only

\$

0

5.33 Medicare Supplement

\$

0

5.34 Dental & Vision

\$

0

5.35 Other Limited Benefit Plan

\$

0

5.36 Other

\$

0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
The Company participates in the Federal Medicare Advantage program with contracts from Centers for Medicare and Medicaid Services (CMS). These contracts include hold harmless provisions for members and continuations of care would be provided by CMS. The provider contracts also contain hold harmless and continuation of care provisions in the event of the Company's insolvency.

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [ X ] No [ ]

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

70,052

8.2 Number of providers at end of reporting year

62,053

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [ ] No [ X ]

9.2

If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months.

\$

9.22 Business with rate guarantees over 36 months

\$

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GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [ X ] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ 20,066,343

10.22 Amount actually paid for year bonuses

\$(34,155,123)

10.23 Maximum amount payable withholds

\$ 0

10.24 Amount actually paid for year withholds

\$ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model

Yes [ ] No [ X ]

11.13 An Individual Practice Association (IPA), or,

Yes [ ] No [ X ]

11.14 A Mixed Model (combination of above)?

Yes [ ] No [ X ]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes [ X ] No [ ]

11.3 If yes, show the name of the state requiring such minimum capital and surplus.

Texas

11.4 If yes, show the amount required.

\$ 1,700,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [ ] No [ X ]

11.6 If the amount is calculated, show the calculation

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Alabama – Part D
Alaska – Part D
Arizona – Part D
Arkansas – Part D
Colorado – Part D
Connecticut – Part D
Delaware – Part D
District of Columbia – Part D
Florida – Part D
Georgia – Part D
Hawaii – Part D
Idaho – Part D
Illinois – Part D
Indiana – Part D
Iowa – Part D
Kansas – Part D
Kentucky – Part D
Louisiana – Part D
Maine – Part D
Maryland – Part D
Massachusetts – Part D
Michigan – Part D
Minnesota – Part D
Mississippi – Part D
Missouri – Part D
Montana – Part D
Nebraska – Part D
Nevada – Part D
New Hampshire – Part D
New Jersey – Part D
New Mexico – Part D
New York – Part D
North Carolina – Part D
North Dakota – Part D
Ohio – Part D
Oklahoma – Part D
Oregon – Part D
Pennsylvania – Part D
Rhode Island – Part D
South Carolina – Part D
South Dakota – Part D
Tennessee – Part D
Texas – Part D
Utah – Part D
Vermont – Part D
Virginia – Part D
Washington – Part D
West Virginia – Part D
Wisconsin – Part D
Wyoming – Part D
Autauga, AL
Baldwin, AL
Bibb, AL
Blount, AL
Cherokee, AL
Chilton, AL
Colbert, AL
Cullman, AL
Dallas, AL
DeKalb, AL
Elmore, AL

1
Name of Service Area
Etowah, AL .....
Jackson, AL .....
Jefferson, AL .....
Lauderdale, AL .....
Lawrence, AL .....
Limestone, AL .....
Lowndes, AL .....
Madison, AL .....
Marshall, AL .....
Mobile, AL .....
Montgomery, AL .....
Morgan, AL .....
Saint Clair, AL .....
Shelby, AL .....
Talladega, AL .....
Tuscaloosa, AL .....
Walker, AL .....
Craighead, AR .....
Crittenden, AR .....
Greene, AR .....
Lawrence, AR .....
Mississippi, AR .....
Poinsett, AR .....
Catoosa, GA .....
Dade, GA .....
Walker, GA .....
Cook, IL .....
Du Page, IL .....
Kane, IL .....
Will, IL .....
Attala, MS .....
Covington, MS .....
Forrest, MS .....
George, MS .....
Hancock, MS .....
Harrison, MS .....
Hinds, MS .....
Jackson, MS .....
Jones, MS .....
Lamar, MS .....
Leake, MS .....
Madison, MS .....
Marion, MS .....
Pearl River, MS .....
Perry, MS .....
Rankin, MS .....
Stone, MS .....
Anderson, TN .....
Bedford, TN .....
Benton, TN .....
Bledsoe, TN .....
Blount, TN .....
Bradley, TN .....
Campbell, TN .....
Cannon, TN .....
Carroll, TN .....
Cheatham, TN .....
Chester, TN .....
Clay, TN .....
Cocke, TN .....
Coffee, TN .....
Crockett, TN .....
Cumberland, TN .....
Davidson, TN .....
De Kalb, TN .....
Decatur, TN .....
Dickson, TN .....
Fayette, TN .....
Fentress, TN .....
Gibson, TN .....
Giles, TN .....
Grainger, TN .....
Grundy, TN .....
Hamblen, TN .....
Hamilton, TN .....
Hancock, TN .....
Hardeman, TN .....
Hardin, TN .....
Haywood, TN .....
Henderson, TN .....
Hickman, TN .....
Houston, TN .....
Humphreys, TN .....
Jackson, TN .....
Jefferson, TN .....
Knox, TN .....
Lauderdale, TN .....

1
Name of Service Area
Lawrence, TN .....
Lewis, TN .....
Lincoln, TN .....
Loudon, TN .....
Macon, TN .....
Madison, TN .....
Marion, TN .....
Marshall, TN .....
Maury, TN .....
McMinn, TN .....
McNairy, TN .....
Meigs, TN .....
Monroe, TN .....
Montgomery, TN .....
Moore, TN .....
Morgan, TN .....
Overton, TN .....
Perry, TN .....
Pickett, TN .....
Polk, TN .....
Putnam, TN .....
Rhea, TN .....
Roane, TN .....
Robertson, TN .....
Rutherford, TN .....
Scott, TN .....
Sequatchie, TN .....
Sevier, TN .....
Shelby, TN .....
Smith, TN .....
Stewart, TN .....
Sumner, TN .....
Tipton, TN .....
Trousdale, TN .....
Union, TN .....
Van Buren, TN .....
Warren, TN .....
Wayne, TN .....
White, TN .....
Williamson, TN .....
Wilson, TN .....
Anderson, TX .....
Angelina, TX .....
Bexar, TX .....
Bowie, TX .....
Brazoria, TX .....
Cameron, TX .....
Camp, TX .....
Cass, TX .....
Chambers, TX .....
Cherokee, TX .....
Collin, TX .....
Cooke, TX .....
Dallas, TX .....
Delta, TX .....
Denton, TX .....
Duvall, TX .....
Ellis, TX .....
El Paso, TX .....
Fannin, TX .....
Fort Bend, TX .....
Franklin , TX .....
Galveston, TX .....
Grayson, TX .....
Gregg, TX .....
Hardin, TX .....
Harris, TX .....
Harrison, TX .....
Henderson, TX .....
Hidalgo, TX .....
Hood, TX .....
Hopkins, TX .....
Houston, TX .....
Hunt, TX .....
Jasper, TX .....
Jefferson, TX .....
Jim Hogg, TX .....
Jim Wells, TX .....
Johnson, TX .....
Kaufman, TX .....
Lamar, TX .....
Liberty, TX .....
Marion, TX .....
Maverick, TX .....
McMullen , TX .....
Montague, TX .....
Montgomery, TX .....

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1
Name of Service Area
Morris, TX .....
Nacogdoches, TX .....
Navarro, TX .....
Newton, TX .....
Nueces, TX .....
Orange , TX .....
Panola, TX .....
Parker, TX .....
Polk, TX .....
Rains, TX .....
Red River, TX .....
Rockwall, TX .....
Rusk, TX .....
Sabine, TX .....
San Augustine, TX .....
San Jacinto, TX .....
Shelby, TX .....
Smith, TX .....
Starr, TX .....
Tarrant, TX .....
Titus , TX .....
Travis, TX .....
Trinity, TX .....
Tyler, TX .....
Upshur, TX .....
Van Zandt, TX .....
Walker, TX .....
Waller, TX .....
Webb, TX .....
Willacy, TX .....
Wise, TX .....
Wood, TX .....
Zapata, TX .....
.....

- 13.1 Do you act as a custodian for health savings accounts? ..... Yes [   ] No [ X ]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. .... \$ .....
- 13.3 Do you act as an administrator for health savings accounts? ..... Yes [   ] No [ X ]
- 13.4 If yes, please provide the balance of funds administered as of the reporting date. .... \$ .....
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? ..... Yes [   ] No [   ] N/A [ X ]
- 14.2 If the answer to 14.1 is yes, please provide the following:

1  Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
.....	.....	.....	.....	.....	.....	.....

15. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):
- 15.1 Direct Premium Written ..... \$ .....0
- 15.2 Total Incurred Claims ..... \$ .....0
- 15.3 Number of Covered Lives .....0

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurarantee)
Universal Life (with or without secondary gurarantee)
Variable Universal Life (with or without secondary gurarantee)

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? ..... Yes [ X ] No [   ]
- 16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? ..... Yes [   ] No [   ]



FIVE-YEAR HISTORICAL DATA

	1 2020	2 2019	3 2018	4 2017	5 2016
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	1,201,702,035	1,096,647,893	1,060,303,946	1,047,658,336	602,829,479
2. Total liabilities (Page 3, Line 24) .....	640,732,117	495,284,532	497,558,195	496,937,426	322,626,324
3. Statutory minimum capital and surplus requirement .....	1,700,000	1,700,000	1,700,000	27,410,444	1,700,000
4. Total capital and surplus (Page 3, Line 33) .....	560,969,918	601,363,361	562,745,751	550,720,910	280,203,155
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	5,108,925,368	4,479,897,961	4,142,167,321	4,087,003,755	2,366,989,790
6. Total medical and hospital expenses (Line 18) .....	4,205,249,273	3,681,145,270	3,383,466,841	3,446,029,625	2,028,664,874
7. Claims adjustment expenses (Line 20) .....	408,796,665	391,192,127	352,029,264	257,823,958	157,438,242
8. Total administrative expenses (Line 21) .....	410,323,851	252,842,898	311,781,828	347,557,822	233,977,273
9. Net underwriting gain (loss) (Line 24) .....	89,158,993	157,457,431	95,093,205	36,992,048	(65,563,195)
10. Net investment gain (loss) (Line 27) .....	34,761,323	31,797,489	31,428,727	21,525,400	9,880,001
11. Total other income (Lines 28 plus 29) .....	(1,121,513)	(1,986,437)	(775,426)	(4,278,762)	(14,550)
12. Net income or (loss) (Line 32) .....	79,418,500	148,420,547	90,299,905	32,828,905	(50,827,858)
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	340,362,090	27,212,945	27,178,947	174,740,880	(6,398,484)
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	560,969,918	601,363,361	562,745,751	550,720,910	280,203,155
15. Authorized control level risk-based capital .....	140,586,231	143,346,125	132,758,225	133,695,969	78,871,713
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	332,230	300,500	298,647	299,563	161,995
17. Total members months (Column 6, Line 7) .....	3,967,287	3,608,500	3,566,869	3,656,421	2,028,888
<b>Operating Percentage</b> (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	82.4	82.2	81.8	84.3	85.9
20. Cost containment expenses .....	7.6	8.3	8.0	29.8	5.7
21. Other claims adjustment expenses .....	0.4	0.5	0.6	1.0	0.9
22. Total underwriting deductions (Line 23) .....	98.4	96.5	97.9	99.1	103.1
23. Total underwriting gain (loss) (Line 24) .....	1.7	3.5	2.3	0.9	(2.8)
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	195,857,859	239,119,352	189,254,801	260,847,529	128,693,027
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....	214,877,608	266,614,359	241,093,363	322,449,831	119,452,431
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....	0	0			
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....	0	0			
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. Total of above Lines 26 to 31 .....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? ..... Yes [       ] No [       ]

If no, please explain: .....

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories									
States, etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama .....	AL	L	701,675,531					701,675,531	
2. Alaska .....	AK	L						0	
3. Arizona .....	AZ	L						0	
4. Arkansas .....	AR	L	26,897,030					26,897,030	
5. California .....	CA	N						0	
6. Colorado .....	CO	L						0	
7. Connecticut .....	CT	L						0	
8. Delaware .....	DE	L						0	
9. District of Columbia .....	DC	L						0	
10. Florida .....	FL	L						0	
11. Georgia .....	GA	L	37,810,953					37,810,953	
12. Hawaii .....	HI	L						0	
13. Idaho .....	ID	L						0	
14. Illinois .....	IL	L	162,645,352					162,645,352	
15. Indiana .....	IN	L						0	
16. Iowa .....	IA	L						0	
17. Kansas .....	KS	L						0	
18. Kentucky .....	KY	L						0	
19. Louisiana .....	LA	L						0	
20. Maine .....	ME	L						0	
21. Maryland .....	MD	L						0	
22. Massachusetts .....	MA	L						0	
23. Michigan .....	MI	L						0	
24. Minnesota .....	MN	L						0	
25. Mississippi .....	MS	L	162,995,472					162,995,472	
26. Missouri .....	MO	L						0	
27. Montana .....	MT	L						0	
28. Nebraska .....	NE	L						0	
29. Nevada .....	NV	L						0	
30. New Hampshire .....	NH	L						0	
31. New Jersey .....	NJ	L						0	
32. New Mexico .....	NM	L						0	
33. New York .....	NY	L						0	
34. North Carolina .....	NC	L						0	
35. North Dakota .....	ND	L						0	
36. Ohio .....	OH	L						0	
37. Oklahoma .....	OK	L						0	
38. Oregon .....	OR	L						0	
39. Pennsylvania .....	PA	L						0	
40. Rhode Island .....	RI	L						0	
41. South Carolina .....	SC	L						0	
42. South Dakota .....	SD	L						0	
43. Tennessee .....	TN	L	1,102,298,826					1,102,298,826	
44. Texas .....	TX	L	(43,759) 1,916,424,345	990,268,637				2,906,649,223	
45. Utah .....	UT	L						0	
46. Vermont .....	VT	L						0	
47. Virginia .....	VA	L						0	
48. Washington .....	WA	L						0	
49. West Virginia .....	WV	L						0	
50. Wisconsin .....	WI	L						0	
51. Wyoming .....	WY	L						0	
52. American Samoa .....	AS	N						0	
53. Guam .....	GU	N						0	
54. Puerto Rico .....	PR	N						0	
55. U.S. Virgin Islands .....	VI	N						0	
56. Northern Mariana Islands .....	MP	N						0	
57. Canada .....	CAN	N						0	
58. Aggregate other alien .....	OT	XXX	0	0	0	0	0	0	0
59. Subtotal .....	XXX	(43,759)	4,110,747,509	990,268,637	0	0	0	5,100,972,387	0
60. Reporting entity contributions for Employee Benefit Plans .....	XXX							0	
61. Total (Direct Business) .....	XXX	(43,759)	4,110,747,509	990,268,637	0	0	0	5,100,972,387	0
DETAILS OF WRITE-INS									
58001. ....	XXX								
58002. ....	XXX								
58003. ....	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page .....	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above) .....	XXX	0	0	0	0	0	0	0	0

(a) Active Status Counts:  
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....50 R - Registered - Non-domiciled RRGs.....0  
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....0 Q - Qualified - Qualified or accredited reinsurer.....0  
N - None of the above - Not allowed to write business in the state.....7

(b) Explanation of basis of allocation by states, premiums by state, etc.  
Part D premiums are allocated based on prior year MMR data by state; Medicare Advantage premiums are based upon premiums received from the Centers for Medicare and Medicaid Services (CMS) for each state by health plan and primary benefit plan (PBP) number; Medicaid premiums are applied to the appropriate state based on the source of the revenue. IL Medicaid premiums are sourced from the IL Comptroller and deposited into an IL Medicaid specific bank account. TX Medicaid premiums are sourced from the TX Comptroller and deposited into a TX Medicaid specific bank account.

SCHEDULE Y  
PART 1 – ORGANIZATIONAL CHART

Cigna CORPORATION  
(A Delaware corporation and ultimate parent company)

The following is a listing identifying and indicating the interrelationships among all affiliated insurers and all other affiliates, as of December 31, 2020:

	Entity Name	EIN	State	NAIC CODE
Cigna Corporation (A Delaware corporation and ultimate parent company)	Cigna Corporation (A Delaware corporation and ultimate parent company)	82-4991898	DE	
	Cigna Holding Company	06-1059331	DE	
	Cigna Holdings, Inc.	06-1072796	DE	
	Cigna Intellectual Property, Inc.	51-0402128	DE	
	Cigna Investment Group, Inc.	06-1095823	DE	
	Cigna International Finance, Inc.	52-0291385	DE	
	Former Cigna Investments, Inc.	23-1914061	DE	
	Cigna Investments, Inc.	06-0861092	DE	
	Cigna Benefits Financing, Inc.	01-0947889	DE	
CareAllies, Inc.	CareAllies, Inc.	26-0180898	DE	
	CareAllies Accountable Care Collaborative LLC	85-0954556	DE	
CareAllies Accountable Care Network LLC	CareAllies Accountable Care Network LLC	85-0935554	DE	
	Connecticut General Corporation	06-0840391	CT	
Benefit Management Corp.	Benefit Management Corp.	81-0585518	MT	
	Allegiance Life & Health Insurance Company	20-4433475	MT	12814
	Allegiance Re, Inc.	20-3851464	MT	
	Allegiance Benefit Plan Management, Inc.	81-0400550	MT	
	Allegiance COBRA Services, Inc.	71-0916514	MT	
	Allegiance Provider Direct, LLC	26-2201582	MT	
	Community Health Network, LLC	84-1461840	MT	
	Intermountain Underwriters, Inc.	81-0425785	MT	
	Allegiance Care Management, LLC	03-0507057	MT	
	HealthSpring, Inc.	20-1821898	DE	
	NewQuest, LLC	76-0628370	TX	
	NewQuest Management Northeast, LLC	52-1929677	DE	
	Bravo Health Mid-Atlantic, Inc.	52-2259087	MD	10095
	Bravo Health Pennsylvania, Inc.	52-2363406	PA	11524
	HealthSpring Life & Health Insurance Company, Inc.	20-8534298	TX	12902
	HealthSpring of Florida, Inc.	65-1129599	FL	11532
NewQuest Management of Illinois, LLC	NewQuest Management of Illinois, LLC	77-0632665	IL	
	NewQuest Management of Florida, LLC	20-4954206	FL	
	HealthSpring Management of America, LLC	20-8647386	DE	
	NewQuest Management of West Virginia, LLC	45-0633893	DE	
	TexQuest, LLC	75-3108527	DE	
	HouQuest, LLC	75-3108521	DE	
	GulfQuest, LP	76-0657035	TX	
	NewQuest Management of Alabama, LLC	33-1033586	AL	
	HealthSpring USA, LLC	72-1559530	TN	
	Tennessee Quest, LLC	20-5524622	TN	
	HealthSpring Pharmacy Services, LLC	26-2353476	DE	
	HealthSpring Pharmacy of Tennessee, LLC	26-2353772	DE	
	Home Physicians Management, LLC	20-4266628	DE	
	Alegis Care Services, LLC	35-2562415	DE	
	Alegis Care Services of Colorado, LLC	85-0909305	CO	
	Cigna Arbor Life Insurance Company	03-0452349	CT	13733
Cigna Behavioral Health, Inc.	Cigna Behavioral Health, Inc.	41-1648670	MN	
	Cigna Behavioral Health of California, Inc.	94-3107309	CA	
	Cigna Behavioral Health of Texas, Inc.	75-2751090	TX	
	MCC Independent Practice Association of New York, Inc.	06-1346406	NY	
Cigna Dental Health, Inc.	Cigna Dental Health, Inc.	59-2308055	FL	
	Cigna Dental Health Plan of Arizona, Inc.	86-0807222	AZ	47013
Cigna Dental Health of California, Inc.	Cigna Dental Health of California, Inc.	59-2600475	CA	
	Cigna Dental Health of Colorado, Inc.	59-2675861	CO	11175
Cigna Dental Health of Delaware, Inc.	Cigna Dental Health of Delaware, Inc.	59-2676987	DE	95380
	Cigna Dental Health of Florida, Inc.	59-1611217	FL	52021
Cigna Dental Health of Illinois, Inc.	Cigna Dental Health of Illinois, Inc.	06-1351097	IL	
	Cigna Dental Health of Kansas, Inc.	59-2625350	KS	52024
Cigna Dental Health of Kentucky, Inc.	Cigna Dental Health of Kentucky, Inc.	59-2619589	KY	52108
	Cigna Dental Health of Maryland, Inc.	20-2844020	MD	48119
Cigna Dental Health of Missouri, Inc.	Cigna Dental Health of Missouri, Inc.	06-1582068	MO	11160
	Cigna Dental Health of New Jersey, Inc.	59-2308062	NJ	11167
Cigna Dental Health of North Carolina, Inc.	Cigna Dental Health of North Carolina, Inc.	56-1803464	NC	95179
	Cigna Dental Health of Ohio, Inc.	59-2579774	OH	47805
Cigna Dental Health of Pennsylvania, Inc.	Cigna Dental Health of Pennsylvania, Inc.	52-1220578	PA	47041
	Cigna Dental Health of Texas, Inc.	59-2676977	TX	95037
Cigna Dental Health of Virginia, Inc.	Cigna Dental Health of Virginia, Inc.	52-2188914	VA	52617
Cigna Health Corporation	Cigna Health Corporation	62-1312478	DE	
	Healthsource, Inc.	02-0387748	DE	
Cigna HealthCare of Arizona, Inc.	Cigna HealthCare of Arizona, Inc.	86-0334392	AZ	95125
	Cigna HealthCare of California, Inc.	95-3310115	CA	
Cigna HealthCare of Colorado, Inc.	Cigna HealthCare of Colorado, Inc.	84-1004500	CO	95604
	Cigna HealthCare of Connecticut, Inc.	06-1141174	CT	95660
Cigna HealthCare of Florida, Inc.	Cigna HealthCare of Florida, Inc.	59-2089259	FL	95136
	Cigna HealthCare of Georgia, Inc.	58-1641057	GA	96229
Cigna HealthCare of Illinois, Inc.	Cigna HealthCare of Illinois, Inc.	36-3385638	IL	95602
	Cigna HealthCare of Indiana, Inc.	35-1679172	IN	95525
Cigna HealthCare of Maine, Inc.	Cigna HealthCare of Maine, Inc.	01-0418220	ME	
	Cigna HealthCare of Massachusetts, Inc.	02-0402111	MA	
Cigna HealthCare Mid-Atlantic, Inc.	Cigna HealthCare Mid-Atlantic, Inc.	52-1404350	MD	
	Cigna HealthCare of New Hampshire, Inc.	02-0387749	NH	95493
Cigna HealthCare of New Jersey, Inc.	Cigna HealthCare of New Jersey, Inc.	22-2720890	NJ	95500
	Cigna HealthCare of North Carolina, Inc.	56-1479515	NC	95132
Cigna HealthCare of Pennsylvania, Inc.	Cigna HealthCare of Pennsylvania, Inc.	23-2301807	PA	
	Cigna HealthCare of St. Louis, Inc.	36-3359925	MO	95635
Cigna HealthCare of South Carolina, Inc.	Cigna HealthCare of South Carolina, Inc.	06-1185590	SC	95708
	Cigna HealthCare of Tennessee, Inc.	62-1218053	TN	95606
Cigna HealthCare of Texas, Inc.	Cigna HealthCare of Texas, Inc.	74-2767437	TX	95363
	Cigna HealthCare of Utah, Inc.	62-1236098	UT	
Temple Insurance Company Limited	Temple Insurance Company Limited	00-0000000	UT	
	Arizona Health Plan, Inc.	86-3581583	AZ	
Healthsource Properties, Inc.	Healthsource Properties, Inc.	02-0467679	NH	
	Managed Care Consultants, Inc.	88-0241365	NV	
Cigna Benefit Technology Solutions, Inc.	Cigna Benefit Technology Solutions, Inc.	02-0515554	DE	
	Sagamore Health Network, Inc.	35-1641636	IN	
Cigna Healthcare Holdings, Inc.	Cigna Healthcare Holdings, Inc.	84-0985843	CO	
	Great-West Healthcare of Illinois, Inc.	93-1174749	IL	
Cigna Healthcare, Inc.	Cigna Healthcare, Inc.	02-0495422	VT	
Connecticut General Life Insurance Company	Connecticut General Life Insurance Company	06-0303370	CT	62308
	CareAllies, LLC	81-2760646	DE	
Cigna Onsite Health, LLC	Cigna Onsite Health, LLC	32-0222252	DE	
	Gillette Ridge Community Council, Inc.	00-0000000	CT	
Gillette Ridge Golf, LLC	Gillette Ridge Golf, LLC	20-3700105	DE	
	Hazard Center Investment Company LLC	52-2149519	DE	
Tel-Drug of Pennsylvania, LLC	Tel-Drug of Pennsylvania, LLC	23-3074013	PA	
	GRG Acquisitions LLC	00-0000000	DE	
Cigna Affiliates Realty Investment Group, LLC	Cigna Affiliates Realty Investment Group, LLC	27-5402196	DE	
	Secor Properties, LP	95-2876207	CA	
Transwestern Federal Holdings, L.L.C.	Transwestern Federal Holdings, L.L.C.	00-0000000	DE	
	Transwestern Federal, L.L.C.	00-0000000	DE	
CR Washington Street Investors LP	CR Washington Street Investors LP	27-3555688	DE	
	Dulles Town Center Mall, LLC	52-2099336	VA	
PUR Arbors Apartments Venture LLC	PUR Arbors Apartments Venture LLC	45-5046449	DE	
	CG Seventh Street, LLC	45-5498989	DE	
Ideal Properties II LLC	Ideal Properties II LLC	95-4838551	CA	
	Mallory Square Partners I, LLC	80-0908244	DE	
Houston Briar Forest Apartments Limited Partnership	Houston Briar Forest Apartments Limited Partnership	37-1708015	DE	
	SB-SNH LLC	46-3593103	DE	
680 Investors LLC	680 Investors LLC	00-0000000	CA	
	685 New Hampshire LLC	00-0000000	CA	
222 Main Street Caring GP LLC	222 Main Street Caring GP LLC	00-0000000	DE	
	222 Main Street Investors LP	46-4671745	DE	
Lakehills CM-CG LLC	Lakehills CM-CG LLC	47-4375626	DE	
	Berewick Apartments LLC	81-2650133	DE	
CIG-LEI Ygnacio Associates LLC	CIG-LEI Ygnacio Associates LLC	81-3389374	DE	
	CGGL Orange Collection LLC	61-1797835	DE	
CGGL Chapman LLC	CGGL Chapman LLC	81-3281922	DE	
	CGGL City Parkway LLC	81-3313562	DE	
Heights at Bear Creek Venture LLC	Heights at Bear Creek Venture LLC	81-4139432	DE	
	SOMA Apartments Venture LLC	82-1732483	DE	
Arbor Heights Venture LLC	Arbor Heights Venture LLC	82-3315524	DE	
	CG/Wood ALTA 601, LLC	82-1280312	DE	
CPI-CII 9171 Wilshire JV LLC	CPI-CII 9171 Wilshire JV LLC	82-4936006	DE	
	9171 Wilshire CPI-CII LLC	82-4794800	DE	
CARING Alta Leander Investor LLC	CARING Alta Leander Investor LLC	85-2966766	DE	
	CG/Wood Alta Leander Station, LLC	85-2233381	DE	
CARING Avondale Investor LLC	CARING Avondale Investor LLC	85-2966766	DE	
	Westoore Realty CG Avondale, LLC	85-3567364	DE	
CARING Capitol Hill GP LLC	CARING Capitol Hill GP LLC	32-0570899	DE	
	CARING Capitol Hill LP LLC	37-1903297	DE	
Rise-CG Capitol Hill, LP	Rise-CG Capitol Hill, LP	83-1460134	DE	
	CARING 3130 Investor LLC	84-1960231	DE	
CARING 9171 Wilshire Investor LLC	CARING 9171 Wilshire Investor LLC	83-2318410	DE	
	CARING Heights at Bear Creek Investor LLC	83-2318233	DE	

SCHEDULE Y  
PART 1 – ORGANIZATIONAL CHART

Cigna CORPORATION  
(A Delaware corporation and ultimate parent company)

The following is a listing identifying and indicating the interrelationships among all affiliated insurers and all other affiliates, as of December 31, 2020:

Entity Name	EIN	State	NAIC CODE
CARING Dulles Town Center Investor LLC	83-2318370	DE	
CARING 500 Ygnacio Investor LLC	83-2562994	DE	
CARING Alta Englewood Investor LLC	83-2851501	DE	
CARING Alta Woodson Investor LLC	83-2563284	DE	
CARING Mallory Square Investor LLC	83-2339522	DE	
CARING Soma Investor LLC	83-2563138	DE	
CARING Century Plaza Investor LLC	83-2851364	DE	
CG-Muller 550 Winchester, LLC	83-2993316	DE	
CARING Hillcrest Investor LLC	83-1400482	DE	
CI-GS Hillcrest LLC	82-1612980	DE	
CARING Alexan Enclave Investor LLC	83-2633790	DE	
CARING Orange Collection Investor LLC	83-2633886	DE	
CGGL Orange Collection Mezz LLC	00-0000000	DE	
CARING South Coast Subsidiary LLC	83-8294933	DE	
CARING 18th & Salmon Investor LLC	83-1400586	DE	
CI-GS Portland, LLC	82-4774243	DE	
CARING Firestone Investor LLC	83-3701937	DE	
CG-AQ 477 South Market Street LLC	84-2083351	DE	
CARING XR 2 International Investor LLC	83-4317078	DE	
CGGL XR 2 International LLC	84-1843578	DE	
CGGL XR 2 International JV LLC	84-1843578	DE	
CGGL XR 2 International Mezz LLC	84-1843578	DE	
CARING XR International Investor LLC	83-3923178	DE	
CGGL XR International LLC	84-1921719	DE	
CARING JA Lofts Investor GP LLC	00-0000000	DE	
CARING JA Lofts Investor LP LLC	00-0000000	DE	
JA Lofts JV Limited Partnership	84-3395923	DE	
JA Lofts Holdings, LLC	84-3406799	DE	
RISE-CG JA Lofts Limited Partnership	84-3254168	DE	
CARING Westcore Holding Investor LLC	38-4085763	DE	
Westcore CG AG, LLC	00-0000000	DE	
Westcore CG Commerce, LLC	00-0000000	DE	
Westcore CG Dove Valley II, LLC	84-3178563	DE	
Westcore CG Venture, LLC	00-0000000	DE	
Westcore CG Dove Valley I, LLC	84-3178563	DE	
Westcore CG Camelback, LLC	84-3178563	DE	
Westcore CG Susana, LLC	84-3178563	DE	
Westcore CG Navy, LLC	84-3178563	DE	
Westcore CG I-35, LLC	84-3178563	DE	
Westcore CG Potomac Park, LLC	84-3178563	DE	
Westcore CG Fountain Lakes, LLC	84-3178563	DE	
Westcore CG Mezz, LLC	84-3178563	DE	
Westcore CG Solano, LLC	84-3178563	DE	
Westcore CG Gateway, LLC	84-3178563	DE	
CARING IBP Investor LLC	84-4410554	DE	
CG-LEDO IBP Venture LLC	84-4773972	DE	
CG-LEDO IBP I LLC	84-4747045	DE	
CG-LEDO IBP II LLC	84-4755025	DE	
CARING Interbay Investor LP LLC	85-1984627	DE	
The Flats at Interbay JV Limited Partnership	85-1955075	DE	
The Flats at Interbay Limited Partnership	85-1962013	DE	
The Flats at Interbay Holdings, LLC	85-1955731	DE	
CARING Interbay Investor GP LLC	85-1961034	DE	
Cigna Health and Life Insurance Company	59-1031071	CT	67369
CarePlexus, LLC	45-2681649	DE	
Cigna Corporate Services, LLC	27-3396038	DE	
Cigna Insurance Agency, LLC	27-1903785	CT	
Ceres Sales of Ohio, LLC	34-1970892	OH	
Cigna National Health Insurance Company	34-0970995	OH	61727
Provident American Life & Health Insurance Company	23-1335885	OH	67903
United Benefit Life Insurance Company	75-2305400	OH	65269
Loyal American Life Insurance Company	63-0343428	OH	65722
American Retirement Life Insurance Company	53-2761899	OH	88366
QualCare Alliance Networks, Inc.	23-3744987	NJ	
QualCare, Inc.	22-3129563	NJ	
Scibal Associates, Inc.	22-2483867	NJ	
QualCare Management Resources Limited Liability Company	46-1801639	NJ	
Health-Lynx, LLC	46-2086778	NJ	
Sterling Life Insurance Company	13-1867829	IL	77399
Olympic Health Management Systems, Inc.	91-1500758	WA	
Olympic Health Management Services, Inc.	91-1599329	WA	
Cigna Ventures, LLC	83-1069280	DE	
AristaMD, Inc.	46-4080861	DE	
Buoy Health, Inc.	46-4918521	DE	
Octave Health Group, Inc.	82-5244890	DE	
Trainer Rx, Inc.	46-5264463	DE	
Cricket Health, Inc.	47-2746692	DE	
Verity Solutions Group, Inc.	00-0000000	DE	
Cigna & CMB Life Insurance Company Limited	9144000710931571W		
Cigna & CMB Health Services Company, Ltd.	00-0000000		
Cigna & CMB Asset Management Company Limited	00-0000000		
Cigna Health Management, Inc.	23-1728483	DE	
Kronos Optimal Health Company	20-8064696	AZ	
Cigna Direct Marketing Company, Inc.	58-1136865	DE	
Tel-Drug, Inc.	46-0427127	SD	
Cigna Global Wellbeing Holdings Limited	224 72651 19448		
Cigna Global Wellbeing Solutions Limited	579 23011 03137		
Vitalife Services, Inc.	98-0463704	DE	
CG Individual Tax Benefit Payments, Inc.	06-1332403	DE	
CG Life Pension Benefits Payments, Inc.	06-1332405	DE	
CG LINA Pension Benefits Payments, Inc.	06-1332401	DE	
Cigna Federal Benefits, Inc.	62-1724116	DE	
Cigna Healthcare Benefits, Inc.	23-2741293	DE	
Cigna Integratedcare, Inc.	23-2924152	DE	
Cigna Managed Care Benefits Company	23-2741294	DE	
Cigna Re Corporation	06-1071502	DE	
Blodgett & Hazard Limited	06-1522976		
Cigna Resource Manager, Inc.	06-1567902	DE	
Connecticut General Benefit Payments, Inc.	06-1252419	DE	
Healthsource Benefits, Inc.	06-1533555	DE	
IHN, Inc.	35-2041388	IN	
Mediversal, Inc.	88-0334401	NV	
Universal Claims Administration	88-0344624	NV	
Brighter, Inc.	27-1713977	DE	
Cigna Global Holdings, Inc.	80-0818758	DE	
Cigna International Corporation, Inc.	51-0389196	DE	
Cigna International Services, Inc.	51-0111677	DE	
Cigna International Marketing (Thailand) Limited	23-2610178	DE	
CGO Participatos LTDA	0105546038364		
YCFM Servicios LTDA	00-0000000		
Cigna Global Reinsurance Company, Ltd.	00-0000000		
Cigna Holdings Overseas, Inc.	98-0216110		
Cigna Bellevue Alpha LLC	23-3009279	DE	
Cigna Linden Holdings, Inc.	00-0000000	DE	
Cigna Laurel Holdings, Ltd.	46-4110289	DE	
Cigna Palmetto Holdings, Ltd.	98-1146864		
Cigna Apac Holdings, Ltd.	98-1232443		
Cigna Alder Holdings, LLC	00-0000000	DE	
Cigna Walnut Holdings, Ltd.	00-0000000		
Cigna Chestnut Holdings, Ltd.	98-1137759		
LINA Life Insurance Company of Korea	00-0000000		
Cigna International Services Australia Pty Ltd.	00-0000000		
Cigna Hong Kong Holdings Company Limited	00-0000000		
Cigna Data Services (Shanghai) Company Limited	00-0000000		
Cigna HLA Technology Services Company Limited	00-0000000		
Cigna Worldwide General Insurance Company Limited	00-0000000		
Cigna Worldwide Life Insurance Company Limited	00-0000000		
Cigna International Health Services Sdn. Bhd.	00-0000000		
Cigna New Zealand Holdings Limited	00-0000000		
OnePath Life (NZ) Limited	00-0000000		
Cigna Life Insurance New Zealand Limited	00-0000000		
Grown Ups New Zealand Limited	119-599-164		
Cigna Life Insurance Company of Canada	AA-1560515		
Cigna Korea Chusik Heosa (A/K/A Cigna Korea Company Limited)	00-0000000		
LINA Financial Service	00-0000000		
Cigna Spruce Holdings GmbH	00-0000000		
Ascent Health Services LLC	00-0000000		
NAS Neuron Health Services, L.L.C.	00-0000000		
Claims and Risk Services Limited	00-0000000		
Egyptian Emirates Administration Services SAE	00-0000000		
Independent Health Information Technology Services L.L.C.	00-0000000		
NAS Administrative Services Company LLC	00-0000000		

SCHEDULE Y  
PART 1 – ORGANIZATIONAL CHART

Cigna CORPORATION  
(A Delaware corporation and ultimate parent company)

The following is a listing identifying and indicating the interrelationships among all affiliated insurers and all other affiliates, as of December 31, 2020:

Entity Name	EIN	State	NAIC CODE
Kuwait Emirates Administration Services WLL	00-0000000		
NAS United SPV	00-0000000		
Neuron LLC	00-0000000		
Cigna Nederland Gamma B.V.	00-0000000		
Cigna Finans Emeklilik Ve Hayat A.S.	00-0000000		
RHP (Thailand) Limited	00-0000000		
Cigna Brokerage & Marketing (Thailand) Limited	00-0000000		
KDM (Thailand) Limited	00-0000000		
Cigna Insurance Public Company Limited	00-0000000		
Cigna Taiwan Life Assurance Company Limited	00-0000000		
Cigna Myrtle Holdings, Ltd.	98-1154657		
Cigna Elmwood Holdings, SPRL	98-1181787		
Cigna Beechwood Holdings	98-1155943		
Cigna Life Insurance Company of Europe S.A.-N.V.	AA-1240009		
Cigna Europe Insurance Company S.A.-N.V.	00-0000000		
Cigna European Services (UK) Limited	00-0000000		
Cigna 2000 UK Pension LTD	00-0000000		
Cigna Oak Holdings, Ltd.	00-0000000		
Cigna Willow Holdings, LTD.	00-0000000		
FirstAssist Administration Limited	00-0000000		
Cigna Legal Protection U.K. Ltd.	00-0000000		
Cigna Insurance Services (Europe) Limited	00-0000000		
Cigna International Health Services, BVBA	00-0000000		
Cigna International Health Services, LLC	30-0526216	FL	
Cigna International Health Services Kenya Limited	00-0000000		
Cigna Cedar Holdings, Ltd.	00-0000000		
Cigna Insurance Middle East S.A.L.	00-0000000		
Cigna Insurance Management Services (DIFC), Ltd.	00-0000000		
Cigna Magnolia Holdings, Ltd.	98-1232512		
Cigna Turkey Danismanlik Hizmetleri, A.S (A/K/A Cigna Turkey Consultancy Services, A.S.)	00-0000000		
Cigna Health Solution India Pvt. Ltd.	00-0000000		
Cigna Poplar Holdings, Inc.	46-4099800	DE	
PT GAR Indonesia	00-0000000		
Cigna Global Insurance Company Limited	68-0676638		
International Pharmaceutical Solutions, GmbH	00-0000000		
ManipalCigna Health Insurance Company Limited	00-0000000		
Cigna Worldwide Insurance Company	23-2088429	DE	90859
PT Asuransi Cigna	AA-3360003		
Cigna Teak Holdings, LLC	00-0000000	DE	
Evernorth Strategic Development, Inc.	85-2717903	DE	
Evernorth Enterprise Services, Inc.	85-2732455	DE	
Express Scripts, Inc.	43-1420563	DE	
Evernorth Health, Inc.	45-2884094	DE	
Express Scripts Services Co.	43-1832983	DE	
Diversified Pharmaceutical Services, Inc.	41-1627938	MN	
Diversified NY IPA, Inc.	16-1526641	NY	
ESI Mail Pharmacy Service, Inc.	43-1867735	DE	
Express Scripts Pharmaceutical Procurement, LLC	20-5826948	DE	
Econdisc Contracting Solutions, LLC	27-3542089	DE	
Express Scripts Sales Operations, Inc.	22-3114423	NJ	
Express Scripts Specialty Distribution Services, Inc.	43-1869712	DE	
ESI Partnership	43-1925562	DE	
ESI Resources, Inc.	41-2006555	MN	
ESI GP Holdings, Inc.	43-1925556	DE	
Express Scripts Utilization Management Company	43-1869714	DE	
Express Scripts Strategic Development, Inc.	22-2230703	NJ	
Airport Holdings, LLC	75-3040465	NJ	
CuraScript, Inc.	36-4369972	DE	
Priority Healthcare Corporation	35-1927379	IN	
Lynnfield Drug, Inc.	04-3546044	FL	
Freedom Service Company, LLC	20-3229217	FL	
Priority Healthcare Distribution, Inc.	59-3761140	FL	
Freco, Inc.	02-0523249	FL	
Lynnfield Compounding Center, Inc.	58-2593075	FL	
SpectraCare, Inc.	61-1147068	KY	
SpectraCare Health Care Ventures, Inc.	61-1317895	KY	
Care Continuum, Inc.	61-1162797	KY	
Matrix GPO, LLC	51-0500147	IN	
Healthbridge Reimbursement & Product Support, Inc.	04-2992335	MA	
Strategic Pharmaceutical Investments, LLC	47-2658932	DE	
L&C Investments, LLC	47-5292506	DE	
Express Scripts Senior Care Holdings, Inc.	20-3126104	DE	
Express Scripts Senior Care, Inc.	20-3126075	DE	
ESI Mail Order Processing, Inc. (f/k/a NXI)	74-2974964	DE	
Express Reinsurance Company	27-3175443	MO	13918
Express Scripts Canada Holding Co.	43-1942542	DE	
Express Scripts Canada Co.	98-0650775/CN98-0358790		
ESI Canada	CN 98-0358792		
ESI GP Canada ULC	CN 98-0358791		
ESI GP2 Canada ULC	00-0000000		
Express Scripts Canada Wholesale	CN25-0012861		
Express Scripts Canada Services	00-0000000		
Express Scripts Pharmacy Ontario, Ltd.	00-0000000		
Express Scripts Pharmacy West, Ltd.	00-0000000		
Express Scripts Pharmacy Central, Ltd.	00-0000000		
Express Scripts Pharmacy Atlantic, Ltd.	00-0000000		
Express Scripts Canada Holding, LLC	27-1490640	DE	
Healthbridge, Inc.	26-2159005	DE	
Inside RX, LLC	82-0658250	DE	
myMatrixx Holdings, LLC	82-1350878	DE	
Matrix Healthcare Services, Inc.	59-3720653	FL	
myMatrixx-B, LLC	46-2589799	FL	
MyM Technology Services, LLC	36-4833284	FL	
Innovative Product Alignment, LLC	82-1655179	DE	
Express Scripts Health Information Network Partners, Inc.	84-5003423	DE	
Medco Health Solutions, Inc.	22-3461740	DE	
MAH Pharmacy, LLC	27-1506930	DE	
Medco Containment Life Insurance Company	42-1425239	PA	63762
Medco Containment Insurance Company of NY	13-3506395	NY	34720
Accredo Health, Incorporated	55-0894449	DE	
AHG of New York, Inc.	13-3888838	NY	
Biopartners in Care, Inc.	43-1815573	MO	
Accredo Health Group, Inc.	11-3358535	DE	
Willow DSP LLC	00-0000000	DE	
Medco Europe, LLC	46-2166374	DE	
Medco Europe II, LLC	27-3709630	DE	
Express Scripts Administrators LLC	41-2063830	DE	
Medco Health Puerto Rico, LLC	81-0816525	DE	
Systemed, LLC	22-3474888	DE	
Medco Health Services, Inc.	26-3544786	DE	
Express Scripts Pharmacy, Inc.	30-0789911	DE	
Specialty Products Acquisitions, LLC	82-4405071	DE	
ValoremRx Sourcing Solutions, LLC	82-4410128	DE	
SureScripts, LLC	00-0000000	VA	
Medco Health Information Network Partners, Inc.	84-5017653	DE	
Evernorth Sales Operations, Inc.	85-2759151	DE	
eviCore 1, LLC	46-4676347	DE	
MedSolutions Holdings, Inc.	27-3801345	DE	
CareCore National, LLC	14-1831391	NY	
eviCore healthcare MSI, LLC	62-1615395	TN	
CareCore NJ, LLC	20-1089572	NJ	10144
CCN-WNY IPA, LLC	33-1039759	NY	
CCN NMO, LLC	45-2604992	NY	
MSI Health Organization of Texas, Inc.	32-0071543	TX	
MSIAZ I, LLC	86-1090522	TN	
MSICA I, LLC	20-1749733	TN	
MSICO I, LLC	20-1222347	TN	
MSIFL, LLC	55-0840800	TN	
MSIMD I, LLC	26-0181185	TN	
MSINC I, LLC	74-3122235	TN	
MSINH, LLC	03-0524694	TN	
MSINH II, LLC	11-3715243	TN	
MSINJI, LLC	20-1749446	TN	
MSINV I, LLC	20-1761914	TN	
MSI HT, LLC	27-5492993	TN	
MSI LT, LLC	27-5493148	TN	
MSI SAR-GW, LLC	27-5493321	TN	
MSISC II, LLC	55-0840808	TN	
MSIVTI, LLC	26-0336736	TN	
MSIWA, LLC	20-2536458	TN	
Chiro Alliance Corporation	59-3466707	FL	
QPID Health, LLC	45-5669416	DE	

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpring Life & Health Insurance Company, Inc.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504.	State Income Taxes Recoverable .....			0	477,974
2505.	SSA Withholdings .....			0	218,358
2597.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0	696,332

Additional Write-ins for Liabilities Line 23

		Current Year			Prior Year
		1	2	3	4
		Covered	Uncovered	Total	Total
2304.	Premiums Due to the State of Illinois .....	794,778		794,778	794,778
2397.	Summary of remaining write-ins for Line 23 from overflow page	794,778	0	794,778	794,778

Additional Write-ins for Statement of Revenue and Expenses Line 6

		Current Year		Prior Year
		1	2	3
		Uncovered	Total	Total
0604.	Living Well Premiums .....	XXX	(163)	673
0697.	Summary of remaining write-ins for Line 6 from overflow page	XXX	(163)	673

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
2504.	Loss Adjustment Expense .....		2,542,755			2,542,755
2505.	Stipends – Medical Director .....	756,638		25,650		782,288
2506.	Stipends – Key Physician Fees .....			31,553		31,553
2507.	Stipends – Other .....	16,253				16,253
2508.	Partnership for Quality .....			6,400		6,400
2597.	Summary of remaining write-ins for Line 25 from overflow page	772,891	2,542,755	63,603	0	3,379,249

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpring Life & Health Insurance Company, Inc.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Analysis of Operations Line 5

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
0504. Living Well Premiums .....	(163)						(163)			XXX
0597. Summary of remaining write-ins for Line 5 from overflow page	(163)	0	0	0	0	0	(163)	0	0	XXX